

## **VT ARGONAUT FUNDS**

**(Sub-funds VT Argonaut European Alpha Fund, VT Argonaut Absolute Return Fund and VT Argonaut Equity Income Fund)**

**Interim Report & Financial Statements (Unaudited)  
for the Six Months ended 31 August 2023**

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## COMPANY OVERVIEW

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### **Type of Company:**

VT Argonaut Funds (“the Company”) is an investment company with variable capital (“ICVC”) incorporated in England and Wales under registered number IC000943 and authorised by the Financial Conduct Authority with effect from 12 March 2012. It is a UCITS scheme as defined in COLL and also an umbrella company for the purposes of the OEIC Regulations. The company has unlimited duration

The Company has currently three Sub-funds available for investment, VT Argonaut Absolute Return Fund, VT Argonaut European Alpha Fund and VT Argonaut Equity Income Fund. 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.

A shareholder is not liable to make any further payment to the Company after they have paid the price on the purchase of the shares.

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

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The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the Authorised Fund Manager to prepare financial statements for each accounting period which give a true and fair view of the financial position of the Company at the end of the financial period and its net revenue and net capital (losses)/gains for the period. In preparing these financial statements the Authorised Fund Manager is required to:

- > comply with the Prospectus, the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014, the Instrument of Incorporation, 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 interim report.

David E. Smith CA

Valu-Trac Investment Management Limited  
Authorised Fund Manager

Date:

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Argonaut European Alpha Fund
<b>Size of Sub-fund</b>	£18,405,196
<b>Launch date</b>	14 July 2012
<b>Sub-fund objective and policy</b>	<p>The Sub-fund aims to achieve returns (capital and income) in excess of the returns of the Investment Association (IA) Europe ex UK Sector over the long term (5 years).</p> <p>The Sub-fund will seek to achieve its objective by investing in a concentrated portfolio of approximately 30-60 stocks. The Sub-fund will invest at least 80% in companies incorporated in countries in Europe. The Sub-fund may also invest in companies that are headquartered or quoted outside Europe which derive a significant part of their business from Europe and whose securities are listed or traded on an eligible securities exchange.</p> <p>The Sub-fund will not concentrate on any particular sector but will invest in a broad range of companies without regard to market capitalisation.</p> <p>The Sub-fund may also invest in other equities, fixed interest, units in collective investment schemes, money market instruments and deposits.</p> <p>The Sub-fund may also make use of certain financial contracts known as derivatives and forward transactions for the purpose of efficient portfolio management, including the use of hedging techniques and stock lending. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund. A target for the Sub-fund's performance has been set by reference to the IA Europe ex UK Sector (the "Target Benchmark") over a five year period.</p>
<b>Benchmark</b>	<p>The IA Europe ex UK Sector is considered to be an appropriate benchmark because it enables investors to compare the performance of the portfolio against competing funds in the same sector.</p> <p>Investors may use the Sub-fund's performance against the Target Benchmark to assess the comparable Sub-fund's rank or quartile as compared to the performance of other funds in the IA Europe ex UK Sector over a variety of time frames.</p> <p>The AFM reserves the right to change the comparator following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the AFM determines that an alternative may be more appropriate. Shareholders will be notified of such a change, in accordance with the rules in COLL.</p>
<b>Authorised Fund Manager (AFM)</b>	Valu-Trac Investment Management Limited
<b>Ex-distribution dates</b>	31 August, Last day of February
<b>Distribution dates</b>	31 October, 30 April
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA.

**SUB-FUND OVERVIEW (continued)****Share class information**

Share class*	Minimum initial subscription	Minimum subsequent investment	Minimum holding	Minimum redemption	Initial charge **
Class A Retail Net Income	£500	£250	£250	£100	5.25%
Class A Retail Net Accumulation	£500	£250	£250	£100	5.25%
Class R Retail Net Income	£500	£250	£250	£100	0.00%
Class R Retail Net Accumulation	£500	£250	£250	£100	0.00%
Class I Institutional Net Income	£3,000,000	£1,000	£3,000,000	£1,000	0.00%
Class I Institutional Net Accumulation	£3,000,000	£1,000	£3,000,000	£1,000	0.00%
Class I Institutional Net Income (Currency Hedged)^	£3,000,000	£1,000	£3,000,000	£1,000	0.00%
Class I Institutional Net Accumulation (Currency Hedged)	£3,000,000	£1,000	£3,000,000	£1,000	0.00%
Class A (Eur) Retail Net Accumulation	€ 2,500	€ 1,000	€ 2,500	€ 1,000	5.25%
Class I (Eur) Institutional Net Accumulation	€ 3,000,000	€ 1,000	€ 3,000,000	€ 1,000	0.00%

^ Share class not launched

\* Investors should note the eligibility criteria for each class of share as set out in paragraph 2.2.2 of the Sub-fund's prospectus before subscribing.

\*\*The initial charge is shown as a percentage of the amount invested which is equivalent to 5.5409% of the price of shares.

**Annual Management Charges**

In respect of the A shares, it is equal to 1.75% per annum of the net asset value of the A shares.

In respect of the R shares, it is equal to 0.75% per annum of the net asset value of the B shares.

In respect of the I shares, it is equal to 0.75% per annum of the net asset value of the C shares.

## INVESTMENT MANAGER'S REPORT

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### Investment Review

The fund returned -4.2% over the 6-month review period (to August 31st 2023) vs the Europe ex UK sector of -0.98%. Since the beginning of 2019, the fund returned 14.6% vs the Europe ex UK sector of 49.3% (Class I Institutional Net Accumulation).

The best performing stocks were semiconductor equipment manufacturers BESI (+46%) and ASM (+35%) both of which rose on artificial intelligence (AI) hype around demand for new products. Belgian cable operator Telenet (+46%) was subject to a takeover offer; whilst Danish pharma-for-insulin outfit Novo (+17%) also rose strongly on the back of excitement around potential demand and in doing so became Europe's biggest company by market capitalisation.

### Market Overview

The start of the review period there was a liquidity crisis in the US banking system owing to banks having bought long duration assets at the top of the rate market during COVID that required stable low-cost deposits to continue to fund them to maturity. Once central banks began raising short-rates depositors withdrew their cash, looking for higher returns elsewhere, leaving the banks unable to continue to fund their assets.

The Federal Reserve continue to hike the Fed Funds rate (from 4.75% to 5.5%); the ECB moved its key Deposit rate from 2.5% to 3.7%; the Bank of England raised its base rate from 4% to 5.25%; whilst the Bank of Japan raised its yield threshold for its 10-year government bond from 50bps to 100bps. Crude oil staged a comeback, rising from \$72/b to \$92/b owing to OPEC+ supply discipline. The metals complex did not share this virility.

Recent economic data suggests that whilst Europe is slipping back into recession and China is stuck in a Japanese-style debt trap, the US economy has recently reaccelerated, with the St Louis Fed GDP best estimate of Q3 now +5.6%, although there are also signs of rising delinquencies in auto and credit card loans. Core inflation (CPI ex Food and Energy) is also still stuck at +4.7% in the US (+5.3% in the EU). This means that the Fed cannot yet pause hikes without a likely further steepening of the yield curve.

### Outlook

The yield on the US 10-year Treasury broke above 4% for the first time since last October, reaching a peak of 4.34%, the highest since 2007. Since the US Treasury price anchors the value of all other financial assets, a blow out in yields will cause a dramatic reassessment of stock market values worldwide. There is a parallel to 1987, when the 10-year Treasury yield steadily climbed from 7% to over 10% by October. This proved to be the tipping point for global stock-markets, which promptly crashed by 30%.

Post WW2 Western economies followed a Keynesian consensus of countercyclical fiscal spending, with deficits rarely more than 5% GDP at the peace time recessionary trough. Today we have the absurd situation where despite full employment and the Federal Reserve implementing 525bps of rate hikes in 18 months to slowdown a red-hot economy, the US fiscal deficit is currently running at 8% of GDP, inefficiently stimulating the economy through subsidies of "strategic" industries and pork barrel politics ahead of the next Presidential election in 2024. When the "long and variable lags" of tighter monetary policy finally hit the economy, government will have already fired its bullets, making the likely slump deeper and more painful.

Currently central bankers must make monetary policy even more restrictive and risk the "fool in the shower" critical analogy: that instead of waiting for the pipes to warm up, they cranked up the hot water, and eventually after a lag, scolded the economy. Given that there are few examples in history of governments allocating capital more efficiently than individuals and companies, the onerous liability of unfettered government spending risks crowding out private sector innovation and productivity.

### Barry Norris

Argonaut Capital Partners LLP

Investment Manager to the Fund

18 September 2023

*Data Source for all performance figures Refinitiv Lipper*

## PERFORMANCE RECORD

### Financial Highlights

#### Class A Retail Net Income

	Period ending 31 August 2023	Year ending 28 February 2023	Year ending 28 February 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	148.6171	146.8459	161.4581
Return before operating charges	(6.3127)	10.9558	(10.2332)
Operating charges (note 1)	(1.4143)	(2.8069)	(2.9443)
Return after operating charges *	(7.7270)	8.1489	(13.1775)
Distributions on income shares	(3.7943)	(6.3777)	(1.4347)
Closing net asset value per share	137.0958	148.6171	146.8459
*after direct transactions costs of:	0.4714	1.2409	1.3411
Performance			
Return after charges	(5.20%)	5.55%	(8.16%)
Other information			
Closing net asset value	£39,184	£256,424	£255,712
Closing number of shares	28,581	172,540	174,136
Operating charges (note 2)	1.98%	1.90%	1.91%
Direct transaction costs	0.33%	0.84%	0.87%
Prices			
Highest share price	151.8869	164.0099	174.8212
Lowest share price	132.9116	136.1749	141.4106

#### Class A Retail Net Accumulation

	Period ending 31 August 2023	Year ending 28 February 2023	Year ending 28 February 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	334.4742	320.4489	346.9127
Return before operating charges	(12.3738)	20.2471	(20.0905)
Operating charges (note 1)	(3.2340)	(6.2218)	(6.3733)
Return after operating charges *	(15.6078)	14.0253	(26.4638)
Closing net asset value per share	318.8664	334.4742	320.4489
Distributions on accumulation shares	8.5785	14.0239	3.0543
*after direct transactions costs of:	1.0780	2.7507	2.9030
Performance			
Return after charges	(4.67%)	4.38%	(7.63%)
Other information			
Closing net asset value	£2,999,090	£13,325,504	£14,422,943
Closing number of shares	940,547	3,984,015	4,500,856
Operating charges (note 2)	1.98%	1.90%	1.91%
Direct transaction costs	0.33%	0.84%	0.87%
Prices			
Highest share price	341.8332	355.5717	376.9606
Lowest share price	300.8253	300.4352	306.3810

**PERFORMANCE RECORD (Continued)****Financial Highlights (Continued)****Class A (Eur) Retail Net Accumulation**

	Period ending 31 August 2023	Year to 28 February 2023	Year to 28 February 2022
Changes in net assets per share			
	EURc	EURc	EURc
Opening net asset value per share	156.6499	157.4389	163.8377
Return before operating charges	(2.3471)	2.1948	(3.3306)
Operating charges (note 1)	(1.5316)	(2.9838)	(3.0682)
Return after operating charges *	(3.8787)	(0.7890)	(6.3988)
Closing net asset value per share	152.7712	156.6499	157.4389
Retained distributions on accumulated shares	4.1238	6.6009	1.4273
*after direct transactions costs of:	0.5105	1.3192	1.3976
Performance			
Return after charges	(2.48%)	(0.50%)	(3.91%)
Other information			
Closing net asset value	€ 7,867	€ 8,067	€ 8,108
Closing number of shares	5,150	5,150	5,150
Operating charges (note 2)	1.98%	1.90%	1.91%
Direct transaction costs	0.33%	0.84%	0.87%
Prices			
Highest share price	158.7302	173.9689	181.2257
Lowest share price	143.7112	139.6609	150.9141

**Class I Institutional Net Income**

	Period ending 31 August 2023	Year to 28 February 2023	Year to 28 February 2022
Changes in net assets per share			
	GBp	GBp	GBp
Opening net asset value per share	154.4438	151.8634	167.0300
Return before operating charges	(6.7133)	12.1672	(11.3409)
Operating charges (note 1)	(0.7274)	(1.3784)	(1.4510)
Return after operating charges *	(7.4407)	10.7888	(12.7919)
Distributions on income shares	(4.5305)	(8.2084)	(2.3747)
Closing net asset value per share	142.4726	154.4438	151.8634
*after direct transactions costs of:	0.4899	1.2865	1.3872
Performance			
Return after charges	(4.82%)	7.10%	(7.66%)
Other information			
Closing net asset value	£694,099	£1,010,380	£1,746,957
Closing number of shares	487,181	654,205	1,150,348
Operating charges (note 2)	0.98%	0.90%	0.91%
Direct transaction costs	0.33%	0.84%	0.87%
Prices			
Highest share price	157.8547	170.9363	181.0925
Lowest share price	138.4583	141.6208	147.0162

**PERFORMANCE RECORD (Continued)****Financial Highlights (Continued)****Class I Institutional Net Accumulation**

	Period ending 31 August 2023	Year to 28 February 2023	Year to 28 February 2022
Changes in net assets per share			
	Gbp	Gbp	Gbp
Opening net asset value per share	309.4232	293.5138	314.5908
Return before operating charges	(11.4318)	18.6226	(18.3101)
Operating charges (note 1)	(1.4845)	(2.7132)	(2.7669)
Return after operating charges *	(12.9163)	15.9094	(21.0770)
Closing net asset value per share	296.5069	309.4232	293.5138
Retained distributions on accumulated shares	9.4645	15.8184	4.4653
*after direct transactions costs of:	0.9998	2.5323	2.6453
Performance			
Return after charges	(4.17%)	5.42%	(6.70%)
Other information			
Closing net asset value	£1,910,892	£2,556,756	£2,717,296
Closing number of shares	644,468	826,297	925,782
Operating charges (note 2)	0.98%	0.90%	0.91%
Direct transaction costs	0.33%	0.84%	0.87%
Prices			
Highest share price	316.2568	326.5771	344.2346
Lowest share price	279.2720	276.8255	280.6151

**Class I Institutional Net Accumulation (Currency Hedged)**

	Period ending 31 August 2023	Year to 28 February 2023	Year to 28 February 2022
Changes in net assets per share			
	Gbp	Gbp	Gbp
Opening net asset value per share	112.2733	108.7987	113.3769
Return before operating charges	0.1411	4.4694	(3.5673)
Operating charges (note 1)	(0.5491)	(0.9948)	(1.0109)
Return after operating charges *	(0.4080)	3.4746	(4.5782)
Closing net asset value per share	111.8653	112.2733	108.7987
Retained distributions on accumulated shares	3.5047	5.7508	1.4589
*after direct transactions costs of:	0.3698	0.9285	0.9665
Performance			
Return after charges	(0.36%)	3.19%	(4.04%)
Other information			
Closing net asset value	£181,068	£183,421	£194,958
Closing number of shares	161,863	163,370	179,192
Operating charges (note 2)	0.98%	0.90%	0.91%
Direct transaction costs	0.33%	0.84%	0.87%
Prices			
Highest share price	114.1811	119.1204	125.9386
Lowest share price	105.1936	97.1046	104.4660

**PERFORMANCE RECORD (Continued)****Financial Highlights (Continued)****Class I (Eur) Institutional Net Accumulation**

	Period ending 31 August 2023	Year to 28 February 2023	Year to 28 February 2022
Changes in net assets per share			
	EURc	EURc	EURc
Opening net asset value per share	175.9701	175.1069	180.5188
Return before operating charges	(2.6267)	2.4430	(3.7938)
Operating charges (note 1)	(0.8537)	(1.5798)	(1.6181)
Return after operating charges *	(3.4804)	0.8632	(5.4119)
Closing net asset value per share	172.4897	175.9701	175.1069
Retained distributions on accumulated shares	5.5127	9.0837	2.5997
*after direct transactions costs of:	0.5750	1.4745	1.5470
Performance			
Return after charges	(1.98%)	0.49%	(3.00%)
Other information			
Closing net asset value	€ 69,241	€ 70,638	€ 70,292
Closing number of shares	40,142	40,142	40,142
Operating charges (note 2)	0.98%	0.90%	0.91%
Direct transaction costs	0.33%	0.84%	0.87%
Prices			
Highest share price	178.3215	193.7296	200.9990
Lowest share price	161.9723	156.2302	167.8318

**Class R Retail Net Income**

	Period ending 31 August 2023	Year to 28 February 2023	Year to 28 February 2022
Changes in net assets per share			
	GBP	GBP	GBP
Opening net asset value per share	173.8818	170.9795	188.0503
Return before operating charges	(7.4044)	13.7129	(12.7636)
Operating charges (note 1)	(0.8190)	(1.5519)	(1.6336)
Return after operating charges *	(8.2234)	12.1610	(14.3972)
Distributions on income shares	(5.2595)	(9.2587)	(2.6736)
Closing net asset value per share	160.3989	173.8818	170.9795
*after direct transactions costs of:	0.5516	1.4484	1.5618
Performance			
Return after charges	(4.73%)	7.11%	(7.66%)
Other information			
Closing net asset value	£893,841	£810,361	£895,458
Closing number of shares	557,261	466,041	523,723
Operating charges (note 2)	0.98%	0.90%	0.91%
Direct transaction costs	0.33%	0.84%	0.87%
Prices			
Highest share price	177.7220	192.4659	203.8866
Lowest share price	156.0293	159.4458	165.5210

## PERFORMANCE RECORD (Continued)

### Financial Highlights (Continued)

#### Class R Retail Net Accumulation

	Period ending 31 August 2023	Year to 28 February 2023	Year to 28 February 2022
Changes in net assets per share			
	GBP	GBP	GBP
Opening net asset value per share	200.9783	190.6448	204.3349
Return before operating charges	(7.4248)	12.0958	(11.8929)
Operating charges (note 1)	(0.9642)	(1.7623)	(1.7972)
Return after operating charges *	(8.3890)	10.3335	(13.6901)
Closing net asset value per share	192.5893	200.9783	190.6448
Retained distributions on accumulated shares	6.1434	10.4059	2.9030
*after direct transactions costs of:	0.6494	1.6448	1.7182
Performance			
Return after charges	(4.17%)	5.42%	(6.70%)
Other information			
Closing net asset value	£11,627,375	£9,366,688	£10,042,609
Closing number of shares	6,037,393	4,660,547	5,267,708
Operating charges (note 2)	0.98%	0.90%	0.91%
Direct transaction costs	0.33%	0.84%	0.87%
Prices			
Highest share price	205.4169	212.1204	223.5892
Lowest share price	181.3949	179.8049	182.2667

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 (28 February 2023: ranked 6). The Sub-fund is ranked 6 because historical performance data indicates that high rises and falls in market prices would have occurred historically.

## PORTFOLIO STATEMENT

As at 31 August 2023 (Unaudited)

Holding	Value £	% of net assets
<b>EQUITIES &amp; WARRANTS</b>		
<b>Austria (28.02.2023: 2.91%)</b>		
<b>Belgium (28.02.2023: 4.42%)</b>		
25,000 Euronav NV	348,038	1.89%
<b>Bermuda (28.02.2023: 10.47%)</b>		
200,000 Hafnia Ltd	927,253	5.04%
<b>Denmark (28.02.2023: 5.30%)</b>		
6,500 Novo Nordisk A/S	959,620	5.21%
<b>France (28.02.2023: 9.31%)</b>		
6,000 Sanofi SA	511,567	2.78%
4,000 Vinci SA	354,525	1.93%
	<u>866,092</u>	<u>4.71%</u>
<b>Germany (28.02.2023: 6.38%)</b>		
10,000 Covestro AG	423,176	2.30%
7,500 Fresenius SE & Co KGaA	189,915	1.03%
3,000 Hannover Rueck SE	506,397	2.75%
16,000 Infineon Technologies AG	453,309	2.46%
	<u>1,572,797</u>	<u>8.54%</u>
<b>Greece (28.02.2023: 0.00%)</b>		
130,000 National Bank of Greece SA	707,643	3.84%
250,173 Piraeus Financial Holdings SA	702,778	3.82%
	<u>1,410,421</u>	<u>7.66%</u>
<b>Hungary (28.02.2023: 1.82%)</b>		
25,000 OTP Bank Nyrt	817,611	4.44%
<b>Italy (28.02.2023: 3.13%)</b>		
35,000 Infrastrutture Wireless Italiane SpA	344,994	1.87%
250,000 Intesa Sanpaolo SpA	534,115	2.90%
90,000 Italgas SpA	407,870	2.22%
40,000 Leonardo SpA	453,961	2.47%
100,000 Snam SpA	410,914	2.23%
	<u>2,151,854</u>	<u>11.69%</u>
<b>Luxembourg (28.02.2023: 8.01%)</b>		
99,769 d Amico International Shipping SA	360,174	1.96%
3,000 Spotify Technology SA	353,497	1.92%
40,000 Tenaris SA	514,500	2.80%
	<u>1,228,171</u>	<u>6.68%</u>
<b>Netherlands (28.02.2023: 13.59%)</b>		
1,500 ASM International NV	576,304	3.13%
6,000 BE Semiconductor Industries NV	547,171	2.97%
15,000 Koninklijke Vopak NV	426,263	2.32%
	<u>1,549,738</u>	<u>8.42%</u>
<b>Norway (28.02.2023: 13.65%)</b>		
35,000 Mowi ASA	496,780	2.70%
651,730 Norwegian Air Shuttle ASA	439,566	2.39%
14,000 SalMar ASA	533,559	2.90%
	<u>1,469,905</u>	<u>7.99%</u>

**PORTFOLIO STATEMENT**

**As at 31 August 2022 (Unaudited)**

Holding	Value £	% of net assets
<b>Spain (28.02.2023: 9.59%)</b>		
150,000 Caixabank SA	493,148	2.68%
55,000 Grifols SA	591,889	3.22%
	1,085,037	5.90%
<b>Switzerland (28.02.2023: 1.89%)</b>		
6,000 Nestle SA	569,675	3.10%
30,000 UBS Group AG - CHF	628,468	3.41%
	1,198,143	6.51%
<b>United Kingdom (28.02.2023: 6.29%)</b>		
40,000 Torm PLC	791,676	4.30%
<b>Forward currency contracts (28.02.2023: 0.00%)</b>		
Fwd.: CHF/GBP - 29 September 2023	51	-
Fwd.: DKK/GBP - 29 September 2023	28	-
Fwd.: EUR/GBP - 29 September 2023	116	-
Fwd.: HUF/GBP - 29 September 2023	(28)	-
Fwd.: NOK/GBP - 29 September 2023	31	-
Fwd.: SEK/GBP - 29 September 2023	-	-
Fwd.: USD/GBP - 29 September 2023	26	-
	224	-
<b>Portfolio of investments (28.02.2023: 96.76%)</b>	<b>16,376,580</b>	<b>88.98%</b>
<b>Net other assets (28.02.2023: 3.24%)</b>	<b>2,028,616</b>	<b>11.02%</b>
	<b>18,405,196</b>	<b>100.00%</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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<b>Total sales for the period</b>	<b>£</b> <b>44,518,491</b>
Torm PLC	2,649,490
Hafnia Ltd	2,171,534
Newmont Corporation	1,824,587
Koninklijke Vopak NV	1,823,621
Dampskibsselskabet Norden A/S	1,531,512
Spotify Technology SA	1,435,709
Euronav NV	1,322,973
Intesa Sanpaolo SpA	1,312,389
Repsol SA	1,254,730
Bayer AG	1,202,976
Other various sales	27,988,970
<b>Total purchase for the period</b>	<b>£</b> <b>36,244,219</b>
Torm PLC	2,014,173
Newmont Corporation	1,850,183
Hafnia Ltd	1,356,769
Spotify Technology SA	1,280,532
UK GILT 2.75% 07/09/2024	1,181,858
Nestle SA	1,171,433
Leonardo SpA	1,132,582
Intesa Sanpaolo SpA	1,090,031
Sanofi SA	1,069,880
Infrastrutture Wireless Italiane SpA	1,034,426
Other various purchases	23,062,352

The above transactions represents the top ten sales and top ten purchases for the period.

## STATEMENT OF TOTAL RETURN

For the six months ended 31 August (unaudited)

	2023		2022	
	£	£	£	£
Income				
Net capital (losses)		(2,105,561)		(522,802)
Revenue	1,052,441		1,112,949	
Expenses	(174,257)		(209,920)	
Interest payable and similar charges	<u>(2,056)</u>		<u>(3,733)</u>	
Net revenue before taxation	876,128		899,296	
Taxation	<u>(137,793)</u>		<u>(170,246)</u>	
Net revenue after taxation		<u>738,335</u>		<u>729,050</u>
Total return before distributions		(1,367,226)		206,248
Finance costs: distributions		<u>(736,279)</u>		<u>(619,099)</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>		<u>(2,103,505)</u>		<u>(412,851)</u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 August (unaudited)

	2023	2022
	£	£
<b>Opening net assets attributable to shareholders</b>	27,549,724	30,357,997
Amounts receivable on creation of shares	340,399	772,292
Amounts payable on cancellation of shares	(7,898,968)	(2,780,695)
Dividend reinvested	520,332	542,397
Interfund transfer	(2,786)	-
Changes in net assets attributable to shareholders from investment activities (see above)	<u>(2,103,505)</u>	<u>(412,851)</u>
<b>Closing net assets attributable to shareholders</b>	<u>18,405,196</u>	<u>28,479,140</u>

The Investment Association SORP requires that comparatives are shown for the above report. As comparatives should be for the comparable interim period the net asset value at the end of the period will not agree to the net asset value at the start of the period. The fund net asset value as at 28 February 2023 was £27,549,724.

## BALANCE SHEET

As at (unaudited)	31.08.2023		28.02.2023	
	£	£	£	£
<b>ASSETS</b>				
Investment assets		16,376,608		26,658,298
<b>Current assets</b>				
Debtors	595,109		2,838,286	
Cash and bank balances	<u>1,617,916</u>		<u>792,940</u>	
<b>Total current assets</b>		<u>2,213,025</u>		<u>3,631,226</u>
<b>Total assets</b>		18,589,633		30,289,524
<b>LIABILITIES</b>				
<b>Investment liabilities</b>		(28)		-
<b>Current liabilities</b>				
Distribution payable on income shares	(52,466)		(62,002)	
Bank overdraft	(29,202)		-	
Creditors	<u>(102,741)</u>		<u>(2,677,798)</u>	
<b>Total current liabilities</b>		<u>(184,409)</u>		<u>(2,739,800)</u>
<b>Net assets attributable to shareholders</b>		<u>18,405,196</u>		<u>27,549,724</u>

### Accounting policies

The accounting policies applied are consistent with those of the financial statements for the period ended 28 February 2023 and are described in those financial statements.

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.

## DISTRIBUTION TABLES

### Interim distributions in pence per share

Group 1: Shares purchased prior to 01 March 2023

Group 2: Shares purchased on or after 01 March 2023 to 31 August 2023

Unit Type	Share Class	Net Revenue 31.10.2023	Equalisation	Distribution 31.10.2023	Distribution 31.10.2022
Group 1	Class A Retail Net Income	3.7943p	-	3.7943p	2.6589p
Group 2	Class A Retail Net Income	3.7943p	-	3.7943p	2.6589p
Group 1	Class A Retail Net Accumulation	8.5785p	-	8.5785p	5.8167p
Group 2	Class A Retail Net Accumulation	4.3609p	4.2176p	8.5785p	5.8167p
Group 1	Class A (Eur) Retail Net Accumulation	3.5362p	-	3.5362p	2.3709p
Group 2	Class A (Eur) Retail Net Accumulation	3.5362p	-	3.5362p	2.3709p
Group 1	Class I Institutional Net Income	4.5305p	-	4.5305p	3.5906p
Group 2	Class I Institutional Net Income	3.1156p	1.4149p	4.5305p	3.5906p
Group 1	Class I Institutional Net Accumulation	9.4645p	-	9.4645p	6.7934p
Group 2	Class I Institutional Net Accumulation	6.8125p	2.6520p	9.4645p	6.7934p
Group 1	Class I Institutional Net Accumulation (Cur Hdg)	3.5047p	-	3.5047p	2.5033p
Group 2	Class I Institutional Net Accumulation (Cur Hdg)	3.5047p	-	3.5047p	2.5033p
Group 1	Class I (Eur) Institutional Net Accumulation	4.7272p	-	4.7272p	3.3948p
Group 2	Class I (Eur) Institutional Net Accumulation	4.7272p	-	4.7272p	3.3948p
Group 1	Class R Retail Net Income	5.2595p	-	5.2595p	4.0587p
Group 2	Class R Retail Net Income	2.6610p	2.5985p	5.2595p	4.0587p
Group 1	Class R Retail Net Accumulation	6.1434p	-	6.1434p	4.5415p
Group 2	Class R Retail Net Accumulation	2.9067p	3.2367p	6.1434p	4.5415p

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Argonaut Absolute Return Fund
<b>Size of Sub-fund</b>	£93,049,343
<b>Launch date</b>	14 July 2012
<b>Sub-fund objective and policy</b>	<p>To provide positive returns over a 3 year period, regardless of market conditions.</p> <p>Capital invested in the Sub-fund is at risk and there is no guarantee that the investment objective will be met over a 3 year, or any other period.</p> <p>The Sub-fund may, at times, invest in a relatively small number of equities, the selection of which will not be restricted either by size, industry, or geographical location of the underlying companies, although exposure is expected to be mainly (over 50% of gross exposure) to companies incorporated in Europe.</p> <p>The Sub-fund may take investment exposure to equities, fixed interest instruments, collective investment schemes (which may include those managed/operated by the AFM) cash and near cash (which includes money market instruments and deposits in any currency).</p> <p>Any such exposures could be gained by direct investment or through funds or derivative instruments.</p> <p>In pursuit of its investment policy, all or a substantial proportion of the Sub-fund's assets may consist of cash, near cash, deposits, warrants and/or money market instruments.</p> <p>The Sub-fund may use derivatives and forward transactions (that is sophisticated investment instruments linked to the rise and fall of the price of other assets) for the purposes of meeting the investment objective or efficient portfolio management.</p>
<b>Investment strategy</b>	<p>The Investment Manager will seek to identify methodically those investments, generally in European markets including the UK and Eastern Europe, with the most and least attractive characteristics for investment. This assessment will be made with a view to being long on stocks with superior or underestimated earnings trends and being short on stocks with inferior or overestimated earnings trends.</p> <p>The investment process will involve traditional long investing (taking a position in a stock on the expectation of the stock rising) and also "shorting" (taking a position with the expectation of the stock falling). Stocks are selected by the Investment Manager primarily on over (shorts) and under (longs) estimated corporate earnings trends with the aim of providing "double alpha" from their stock-picking. Alpha is the difference between our returns and those of the market average. Successfully executed this will result in positive returns from the Sub-fund regardless of market conditions.</p> <p>The Sub-fund may also use leverage to enhance returns or cash to protect capital. The Investment Manager will vary leverage and market exposure according to market conditions.</p> <p>Investment strategies will be achieved through some use of derivative products (which will include contracts for difference (swaps), traded options and financial futures) in the pursuit of the investment objective. Direct investment will be made in equities and corporate debt securities for long exposure whereas exchange-traded financial derivative instruments and over-the-counter financial derivative instruments (together 'derivatives'). Short positions will be generated synthetically through derivatives, designed to allow the Sub-fund to benefit economically from the fall in the price of the underlying securities to which the derivatives relate.</p> <p>In pursuit of its investment policy, all or a substantial proportion of the Sub-fund's assets may consist of cash, near cash, deposits, warrants and/or money market instruments; the Sub-fund may also invest in government bonds and other transferable securities collective investment schemes (and use may be made of stock lending, borrowing, hedging techniques permitted by the FCA Rules).</p>

## SUB-FUND OVERVIEW (continued)

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**Investment strategy (continued)** In addition to a cash holding being maintained to contribute to the absolute return, substantial cash holdings could be required in support of derivatives to achieve the same economic return as holding the securities themselves.

The Sub-fund's over-the-counter financial derivatives may be transacted with a single counterparty and strategies may be generated through a single derivative contract. In all circumstances, however, the Sub-fund will comply with the investment restrictions and limits set out in the Prospectus. Derivatives strategies are designed to have the same economic effect as if the Sub-fund were investing directly in the equities underlying the derivatives.

In addition, the Sub-fund has the ability to invest in transferable securities embedding derivatives such as convertible bonds and to employ techniques involving, foreign exchange forwards, futures, options, stock lending and contracts for difference for the purpose of efficient portfolio management. These strategies may be used for reducing risk, reducing cost or generating additional capital for the Sub-fund.

The Sub-fund aims to generate absolute returns from five principal strategies:

- Long investing where there is a strong conviction that the stock price will rise;
- Short investing where there is a strong conviction that the stock price will fall;
- Pair trades – a combination of long and short investments to minimise sector and market risk. This could take the form of arbitrage opportunities such as long corporate debt paired with short equity;
- Cash holdings of up to 100% of the portfolio;
- Leverage to increase exposure to equity and corporate debt securities whether long or short but only to the extent permitted by the FCA Regulations.†

† The AFM has taken the decision to not permit the Sub-fund's leverage to exceed a maximum limit of 200% of the Net Asset Value of the Sub-fund.

**Performance Comparator:** The Sub-fund is not managed against any formal benchmark. The Sub-fund uses the Investment Association's (IA) IA Targeted Absolute Return Sector for performance comparison purposes only ("Performance Comparator"). The Performance Comparator is not used as a performance target or as a constraint in relation to the composition of the Sub-fund's portfolio.

The Performance Comparator was chosen because it enables investors to compare the performance of the portfolio against competing funds in the same sector.

The Performance Comparator is used to compare the Sub-fund's rank or quartile as compared to the performance of other Sub-funds in the IA Targeted Absolute Return Sector over a variety of time frames.

The AFM reserves the right to change the comparator following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the AFM determines that an alternative may be more appropriate. Shareholders will be notified of such a change, in accordance with the rules in COLL.

**Authorised Fund Manager (AFM)** Valu-Trac Investment Management Limited

**Ex-distribution dates** 31 August, Last day of February

**Distribution dates** 31 October, 30 April

**Individual Savings Account (ISA)** The Sub-fund is a qualifying investment for inclusion in an ISA.

SUB-FUND OVERVIEW (continued)

Share class information

Share class*	Minimum initial subscription	Minimum subsequent investment	Minimum holding	Minimum redemption	Initial charge **
<b>Class A (Currency Hedged) Retail Net Accumulation</b>	£ 500	£ 250	£ 250	£ 100	5.25%
<b>Class R (Currency Hedged) Retail Net Accumulation</b>	£ 500	£ 250	£ 250	£ 100	0.00%
<b>Class I (Currency Hedged) Institutional Net Accumulation</b>	£ 3,000,000	£ 1,000	£ 3,000,000	£ 1,000	0.00%
<b>Class O (Currency Hedged) Institutional Net Accumulation</b>	£ 500	£ 250	£ 250	£ 100	5.00%
<b>Class A (Eur) (Currency Hedged) Retail Net Accumulation</b>	€ 2,500	€ 1,000	€ 2,500	€ 1,000	5.25%
<b>Class I (Eur) (Currency Hedged) Institutional Net Accumulation</b>	€ 3,000,000	€ 1,000	€ 3,000,000	€ 1,000	0.00%
<b>Class O (Eur) (Currency Hedged) Institutional Net Accumulation</b>	€ 2,500	€ 1,000	€ 2,500	€ 1,000	5.00%
<b>Class A (USD) (Currency Hedged) Retail Net Accumulation</b>	\$ 2,500	\$ 1,000	\$ 2,500	\$ 1,000	5.25%
<b>Class I (USD) (Currency Hedged) Institutional Net Accumulation</b>	\$ 3,000,000	\$ 1,000	\$ 3,000,000	\$ 1,000	0.00%
<b>Class O (USD) (Currency Hedged) Institutional Net Accumulation</b>	\$ 2,500	\$ 1,000	\$ 2,500	\$ 1,000	5.00%
<b>Class A (CHF) (Currency Hedged) Retail Net Accumulation<sup>^</sup></b>	2,500 CHF	1,000 CHF	2,500 CHF	1,000 CHF	5.25%
<b>Class I (CHF) (Currency Hedged) Institutional Net Accumulation<sup>^</sup></b>	3,000,000 CHF	1,000 CHF	3,000,000 CHF	1,000 CHF	0.00%

<sup>^</sup>Share classes not launched

\* Investors should note the eligibility criteria for each class of share as set out in paragraph 2.2.2 of the Sub-fund's prospectus before subscribing.

\*\*The initial charge is shown as a percentage of the amount invested which is equivalent to 5.5409% of the price of shares.

**Annual management charges**

In respect of the A shares, it is equal to 1.50% per annum of the net asset value of the A shares.

In respect of the R shares, it is equal to 0.75% per annum of the net asset value of the B shares.

In respect of the I shares, it is equal to 0.75% per annum of the net asset value of the I shares.

In respect of the O shares, it is equal to 1.50% per annum of the net asset value of the O shares.

## SUB-FUND OVERVIEW (continued)

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### Performance fee

The performance fee will be calculated and accrued daily but will only become payable annually in arrears in respect of each discrete period of twelve months ending 31 December (the "Performance Period"). The performance fee will accrue daily as if each day were the end of a performance period, therefore if relevant; the fee may be payable upon redemptions and will be paid to the Investment Manager at the end of the performance period. There is no maximum value on the performance fee that could be taken. Full details can be found in the Prospectus.

The amount of performance fee payable in respect of each performance period is a Sterling amount equivalent to the product of:

(a) the higher of:

- the excess performance over 5% (the "Hurdle Rate"); and
- the highest mid price, net of any performance fee, calculated at the end of any previous performance period (the "High Watermark"); the higher being the "Target Price";

(b) the rate of the performance fee (being 20% of the outperformance of the Target Price); and

(c) the average number of shares in issue during the calculation period.

The accrual for a performance fee shall reflect the average number of shares in issue during the performance period. However, where the actual number of shares in issue (on any day) is less than 95% of the average number of shares in issue shown on the performance fee calculation (which could occur where large redemptions of shares are placed relative to the number of shares in issue in that share class), the average number of shares in issue will be reset to the actual number of shares in issue.

## INVESTMENT MANAGER'S REPORT

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### Investment Review

The fund returned +7.28% (Class I (Currency Hedged) Institutional Net Accumulation) over the 6-month review period (31st August 2023) vs. the IA Targeted Absolute Return sector of 0.22% and the Lipper equity long/short sector of -2.43. The correlation of the fund was 0.01.

Since beginning of 2019 the fund has returned 65.67% vs. the IA Targeted Absolute Return sector of 15.37% and the Lipper equity long/short sector of 13.04% with a correlation of just 0.00. The fund ranks #2 out of 84 in IA Targeted Absolute Return

Our long book made a small positive return over the review period. The biggest winners in our long book included: Builders Firstsource (+63%) benefitting from the robust US housing market; Dutch cable company Telenet (+43%) that was subject to a takeover; Amazon (+40%) which benefitted from AI hype; and Uber (+36%) which surprised the market with the profitability of recent growth.

Our short book made a significant positive return over the review period. best performing shorts were the four banks which failed during the Spring banking crisis: Silicon Valley (-99%); Signature Bank (-99%); First Republic (-99%) and Credit Suisse (-62%), which was saved from going to zero by a UBS rescue. Swedish property outfit Samhallsbyggnadsbolaget (-81%) continued its plummet toward bankruptcy, whilst telco hardware roll-up vehicle Hexatronic (-55%) also unravelled.

### Market Overview

The start of the review period there was a liquidity crisis in the US banking system owing to banks having bought long duration assets at the top of the rate market during COVID that required stable low-cost deposits to continue to fund them to maturity. Once central banks began raising short-rates depositors withdrew their cash, looking for higher returns elsewhere, leaving the banks unable to continue to fund their assets.

The Federal Reserve continue to hike the Fed Funds rate (from 4.75% to 5.5%); the ECB moved its key Deposit rate from 2.5% to 3.7%; the Bank of England raised its base rate from 4% to 5.25%; whilst the Bank of Japan raised its yield threshold for its 10-year government bond from 50bps to 100bps. Crude oil staged a comeback, rising from \$72/b to \$92/b owing to OPEC+ supply discipline. The metals complex did not share this virility.

Recent economic data suggests that whilst Europe is slipping back into recession and China is stuck in a Japanese-style debt trap, the US economy has recently reaccelerated, with the St Louis Fed GDP best estimate of Q3 now +5.6%, although there are also signs of rising delinquencies in auto and credit card loans. Core inflation (CPI ex Food and Energy) is also still stuck at +4.7% in the US (+5.3% in the EU). This means that the Fed cannot yet pause hikes without a likely further steepening of the yield curve.

### Outlook

The yield on the US 10-year Treasury broke above 4% for the first time since last October, reaching a peak of 4.34%, the highest since 2007. Since the US Treasury price anchors the value of all other financial assets, a blow out in yields will cause a dramatic reassessment of stock market values worldwide. There is a parallel to 1987, when the 10-year Treasury yield steadily climbed from 7% to over 10% by October. This proved to be the tipping point for global stock-markets, which promptly crashed by 30%.

Post WW2 Western economies followed a Keynesian consensus of countercyclical fiscal spending, with deficits rarely more than 5% GDP at the peace time recessionary trough. Today we have the absurd situation where despite full employment and the Federal Reserve implementing 525bps of rate hikes in 18 months to slowdown a red-hot economy, the US fiscal deficit is currently running at 8% of GDP, inefficiently stimulating the economy through subsidies of "strategic" industries and pork barrel politics ahead of the next Presidential election in 2024. When the "long and variable lags" of tighter monetary policy finally hit the economy, government will have already fired its bullets, making the likely slump deeper and more painful.

Currently central bankers must make monetary policy even more restrictive and risk the "fool in the shower" critical analogy: that instead of waiting for the pipes to warm up, they cranked up the hot water, and eventually after a lag, scolded the economy. Given that there are few examples in history of governments allocating capital more efficiently than individuals and companies, the onerous liability of unfettered government spending risks crowding out private sector innovation and productivity.

**Barry Norris**

**Argonaut Capital Partners LLP**

**Investment Manager to the Fund**

**18 September 2023**

*Data Source for all performance figures Refinitiv Lipper*

## PERFORMANCE RECORD

### Financial Highlights

#### Class A (Currency Hedged) Retail Net Accumulation

	Period ending 31 August 2023	Year ending 28 February 2023	Year ending 28 February 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	235.1301	241.9389	197.4838
Return before operating charges	18.1657	(2.9684)	48.1902
Operating charges (note 1)	(1.9459)	(3.8404)	(3.7351)
Return after operating charges *	16.2198	(6.8088)	44.4551
Closing net asset value per share	251.3499	235.1301	241.9389
Distributions on accumulation shares	4.4817	3.3991	-
*after direct transactions costs of:	0.7054	0.0477	-
Performance			
Return after charges	6.90%	(2.81%)	22.51%
Other information			
Closing net asset value	£5,644,006	£5,960,726	£3,887,581
Closing number of shares	2,245,478	2,535,076	1,606,844
Operating charges (note 2)	1.60%	1.61%	1.70%
Performance fee	0.00%	0.79%	2.44%
Direct transaction costs	0.29%	0.02%	0.00%
Prices			
Highest share price	263.1608	282.7941	249.4626
Lowest share price	233.6934	218.9774	192.3120

#### Class A (Eur) (Currency Hedged) Retail Net Accumulation

	Period ending 31 August 2023	Year ending 28 February 2023	Year ending 28 February 2022
Changes in net assets per share	EURc	EURc	EURc
Opening net asset value per share	145.5642	150.6643	123.2633
Return before operating charges	11.3421	(2.7155)	29.7294
Operating charges (note 1)	(1.2051)	(2.3846)	(2.3284)
Return after operating charges *	10.1370	(5.1001)	27.4010
Closing net asset value per share	155.7012	145.5642	150.6643
Distributions on accumulation shares	2.8467	2.1754	-
*after direct transactions costs of:	0.4368	0.0296	-
Performance			
Return after charges	6.96%	(3.39%)	22.23%
Other information			
Closing net asset value	€ 1,858,574	€ 1,784,288	€ 1,435,803
Closing number of shares	1,193,680	1,225,773	952,981
Operating charges (note 2)	1.60%	1.61%	1.70%
Performance fee	0.00%	0.79%	2.44%
Direct transaction costs	0.29%	0.02%	0.00%
Prices			
Highest share price	162.7151	175.3945	155.3442
Lowest share price	144.6188	135.8332	119.7111

**PERFORMANCE RECORD (Continued)**

**Financial Highlights (Continued)**

**Class A (USD) (Currency Hedged) Retail Net Accumulation**

	<b>Period ending 31 August 2023</b>	<b>Year ending 28 February 2023</b>	<b>Year ending 28 February 2022</b>
Changes in net assets per share			
	USDc	USDc	USDc
Opening net asset value per share	116.7598	121.5182	99.0746
Return before operating charges	9.5322	(2.8403)	24.3186
Operating charges (note 1)	(0.9683)	(1.9181)	(1.8750)
Return after operating charges *	8.5639	(4.7584)	22.4436
Closing net asset value per share	125.3237	116.7598	121.5182
Distributions on accumulation shares	2.3084	1.9707	-
*after direct transactions costs of:	0.3510	0.0238	-
Performance			
Return after charges	7.33%	(3.92%)	22.66%
Other information			
Closing net asset value	\$4,346,933	\$4,488,764	\$655,582
Closing number of shares	3,468,565	3,844,444	539,493
Operating charges (note 2)	1.60%	1.61%	1.70%
Performance fee	0.00%	0.79%	2.44%
Direct transaction costs	0.29%	0.02%	0.00%
Prices			
Highest share price	130.8857	141.4550	125.6109
Lowest share price	116.0460	108.7141	96.5889

**Class I (Currency Hedged) Institutional Net Accumulation**

	<b>Period ending 31 August 2023</b>	<b>Year to 28 February 2023</b>	<b>Year to 28 February 2022</b>
Changes in net assets per share			
	GBP	GBP	GBP
Opening net asset value per share	260.1887	267.2182	216.9423
Return before operating charges	20.0759	(4.7617)	52.5757
Operating charges (note 1)	(1.1460)	(2.2678)	(2.2998)
Return after operating charges *	18.9299	(7.0295)	50.2759
Closing net asset value per share	279.1186	260.1887	267.2182
Retained distributions on accumulated shares	5.9183	4.3660	0.7970
*after direct transactions costs of:	0.7820	0.0527	-
Performance			
Return after charges	7.28%	(2.63%)	23.17%
Other information			
Closing net asset value	£28,147,525	£25,458,876	£12,589,807
Closing number of shares	10,084,431	9,784,773	4,711,434
Operating charges (note 2)	0.85%	0.86%	0.95%
Performance fee	0.00%	0.79%	2.44%
Direct transaction costs	0.29%	0.02%	0.00%
Prices			
Highest share price	291.5848	312.9567	275.7339
Lowest share price	258.6361	242.1453	211.9241

**PERFORMANCE RECORD (Continued)****Financial Highlights (Continued)****Class I (Eur) (Currency Hedged) Institutional Net Accumulation**

	<b>Period ending 31 August 2023</b>	<b>Year ending 28 February 2023</b>	<b>Year ending 28 February 2022</b>
Changes in net assets per share			
	EURc	EURc	EURc
Opening net asset value per share	212.8243	219.9703	169.7268
Return before operating charges	13.8341	(5.2850)	52.0946
Operating charges (note 1)	(0.9319)	(1.8610)	(1.8511)
Return after operating charges *	12.9022	(7.1460)	50.2435
Closing net asset value per share	225.7265	212.8243	219.9703
Retained distributions on accumulated shares	4.9361	3.8874	0.6432
*after direct transactions costs of:	0.6359	0.0433	-
Performance			
Return after charges	6.06%	(3.25%)	29.60%
Other information			
Closing net asset value	€ 2,409,187	€ 1,985,038	€ 1,200,225
Closing number of shares	1,067,303	932,712	545,630
Operating charges (note 2)	0.85%	0.86%	0.95%
Performance fee	0.00%	0.79%	2.44%
Direct transaction costs	0.29%	0.02%	0.00%
Prices			
Highest share price	238.2732	257.7488	227.8202
Lowest share price	211.4747	198.4557	165.4052

**Class I (USD) (Currency Hedged) Institutional Net Accumulation**

	<b>Period ending 31 August 2023</b>	<b>Year ending 28 February 2023</b>	<b>Year ending 28 February 2022</b>
Changes in net assets per share			
	USDc	USDc	USDc
Opening net asset value per share	147.6584	151.9790	123.3970
Return before operating charges	12.2273	(3.0322)	29.8900
Operating charges (note 1)	(0.6521)	(1.2884)	(1.3080)
Return after operating charges *	11.5752	(4.3206)	28.5820
Closing net asset value per share	159.2336	147.6584	151.9790
Retained distributions on accumulated shares	3.5302	2.8289	0.4412
*after direct transactions costs of:	0.4450	0.0300	-
Performance			
Return after charges	7.84%	(2.84%)	23.16%
Other information			
Closing net asset value	\$4,829,295	\$4,017,607	\$1,349,925
Closing number of shares	3,032,838	2,720,880	888,231
Operating charges (note 2)	0.85%	0.86%	0.95%
Performance fee	0.00%	0.79%	2.44%
Direct transaction costs	0.29%	0.02%	0.00%
Prices			
Highest share price	165.8214	178.2502	156.8412
Lowest share price	146.7742	137.3407	120.8196

**PERFORMANCE RECORD (Continued)****Financial Highlights (Continued)****Class R (Currency Hedged) Retail Net Accumulation**

	Period ending 31 August 2023	Year ending 28 February 2023	Year ending 28 February 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	221.4443	227.6359	184.5625
Return before operating charges	17.1408	(4.2606)	45.0313
Operating charges (note 1)	(0.9755)	(1.9310)	(1.9579)
Return after operating charges *	16.1653	(6.1916)	43.0734
Closing net asset value per share	237.6096	221.4443	227.6359
Retained distributions on accumulated shares	5.0862	3.9825	0.6764
*after direct transactions costs of:	0.6656	0.0449	-
Performance			
Return after charges	7.30%	(2.72%)	23.34%
Other information			
Closing net asset value	£45,453,806	£40,577,241	£16,976,360
Closing number of shares	19,129,617	18,323,907	7,457,682
Operating charges (note 2)	0.85%	0.86%	0.95%
Performance fee	0.00%	0.79%	2.44%
Direct transaction costs	0.29%	0.02%	0.00%
Prices			
Highest share price	248.1464	266.8351	235.1684
Lowest share price	220.1229	206.0870	180.3914

**Class O (Currency Hedged) Institutional Net Accumulation**

	Period ending 31 August 2023	Year ending 28 February 2023	Year ending 28 February 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	119.6514	123.6336	100.3522
Return before operating charges	9.4351	(2.0238)	25.1853
Operating charges (note 1)	(0.9910)	(1.9584)	(1.9039)
Return after operating charges *	8.4441	(3.9822)	23.2814
Closing net asset value per share	128.0955	119.6514	123.6336
Retained distributions on accumulated shares	2.2856	1.7237	-
*after direct transactions costs of:	0.3592	0.0243	-
Performance			
Return after charges	7.06%	(3.22%)	23.20%
Other information			
Closing net asset value	£6,455,677	£6,922,236	£2,702,616
Closing number of shares	5,039,737	5,785,337	2,185,989
Operating charges (note 2)	1.60%	1.61%	1.70%
Performance fee	0.00%	0.79%	2.44%
Direct transaction costs	0.29%	0.02%	0.00%
Prices			
Highest share price	133.8851	145.2882	127.7276
Lowest share price	118.9202	111.4315	97.6923

**PERFORMANCE RECORD (Continued)**

**Financial Highlights (Continued)**

**Class O (Eur) (Currency Hedged) Institutional Net Accumulation**

	Period ending 31 August 2023	Year ending 28 February 2023	Year ending 28 February 2022
Changes in net assets per share	EURc	EURc	EURc
Opening net asset value per share	116.2575	121.8838	98.8343
Return before operating charges	6.9949	(3.7093)	24.9256
Operating charges (note 1)	(0.9542)	(1.9170)	(1.8761)
Return after operating charges *	6.0407	(5.6263)	23.0495
Closing net asset value per share	122.2982	116.2575	121.8838
Retained distributions on accumulated shares	2.2575	1.8335	-
 *after direct transactions costs of:	 0.3459	 0.0238	 -
Performance			
Return after charges	5.20%	(4.62%)	23.32%
Other information			
Closing net asset value	€ 972,014	€ 1,156,208	€ 424,694
Closing number of shares	794,791	994,523	348,441
Operating charges (note 2)	1.60%	1.61%	1.70%
Performance fee	0.00%	0.79%	2.44%
Direct transaction costs	0.29%	0.02%	0.00%
Prices			
Highest share price	129.9478	142.2586	125.9370
Lowest share price	115.5037	108.5200	96.3169

**Class O (USD) (Currency Hedged) Institutional Net Accumulation**

	Period ending 31 August 2023	Year ending 28 February 2023	Year ending 28 February 2022
Changes in net assets per share	USDc	USDc	USDc
Opening net asset value per share	117.4775	121.9787	99.2606
Return before operating charges	9.6710	(2.5736)	24.5986
Operating charges (note 1)	(0.9746)	(1.9276)	(1.8805)
Return after operating charges *	8.6964	(4.5012)	22.7181
Closing net asset value per share	126.1739	117.4775	121.9787
Retained distributions on accumulated shares	2.3490	1.9468	-
 *after direct transactions costs of:	 0.3533	 0.0239	 -
Performance			
Return after charges	7.40%	(3.69%)	22.89%
Other information			
Closing net asset value	\$3,713,432	\$3,536,258	\$989,951
Closing number of shares	2,943,106	3,010,159	811,577
Operating charges (note 2)	1.60%	1.61%	1.70%
Performance fee	0.00%	0.79%	2.44%
Direct transaction costs	0.29%	0.02%	0.00%
Prices			
Highest share price	131.7722	142.7770	126.2431
Lowest share price	116.7780	109.3863	96.8812

## PERFORMANCE RECORD (Continued)

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1. The operating charges per share figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.
2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund.

### **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 28 February 2023: ranked 6). The Sub-fund is ranked 6 because historical performance data indicates that high rises and falls in market prices would have occurred historically.

**PORTFOLIO STATEMENT**

**As at 31 August 2023 (Unaudited)**

Holding	Value £	% of net assets
<b>Equities (28.02.2023: 0.98%)</b>		
850,000 Alpha Services and Holdings SA	1,142,147	1.15%
19,000 Alphabet Inc	2,036,073	2.04%
18,000 Amazon.com Inc	1,917,413	1.92%
40,000 Archer Daniels Midland Co	2,547,024	2.55%
28,000 Builders FirstSource Inc	3,088,858	3.09%
28,000 Bunge Ltd	2,528,633	2.52%
75,000 Covestro AG	3,173,822	3.16%
28,000 D.R. Horton Inc	2,627,561	2.62%
8,500 Eli Lilly and Co	3,673,666	3.66%
849,089 Eurobank Ergasias Services and Holdings SA	1,166,406	1.16%
100,000 Euronav NV	1,392,151	1.39%
60,000 Frontline Ltd	853,843	0.85%
140,000 Grifols SA	1,506,628	1.50%
1,050,183 Hafnia Ltd	4,868,928	4.85%
70,023 Koninklijke Vopak NV	1,989,882	1.98%
28,000 Lennar Corp	2,633,965	2.63%
170,000 Leonardo SpA	1,929,332	1.92%
9,000 Meta Platforms Inc	2,094,576	2.09%
8,000 Microsoft Corp	2,074,086	2.07%
154,980 Mowi ASA	2,199,741	2.19%
550,542 National Bank of Greece SA	2,996,826	2.99%
1,300,000 Norwegian Air Shuttle ASA	876,798	0.87%
25,000 Novo Nordisk A/S	3,690,846	3.68%
125,000 OTP Bank Nyrt	4,088,053	4.07%
1,300,793 Piraeus Financial Holdings SA	3,654,149	3.64%
12,000 Salesforce.Com Inc	2,037,367	2.03%
60,000 SalMar ASA	2,286,682	2.28%
63,000 Scorpio Tankers Inc	2,587,592	2.58%
9,000 Spotify Technology SA	1,060,490	1.06%
219,874 Torm PLC	4,351,726	4.34%
30,000 Uber Technologies Inc	1,100,640	1.10%
170,000 YPF SA	1,957,430	1.95%
	76,133,334	75.93%
<b>Collective Investment Schemes (28.02.2023: 8.61%)</b>		
556,842 Goldman Sachs Sterling Liquid Reserves Value Dis	556,842	0.55%
<b>Government Bonds (28.02.2023: 42.77%)</b>		
5,000,000 UK Treasury Bill 18/09/2023	4,987,100	4.97%
5,000,000 UK Treasury Bill 02/10/2023	4,976,650	4.96%
2,500,000 UK T Bill 0% 04/12/2023	2,464,575	2.46%
2,500,000 UK T Bill 0% 18/12/2023	2,459,050	2.45%
	14,887,375	14.84%

**PORTFOLIO STATEMENT (continued)**

Holding	Value £	% of net assets
<b>Contracts for Difference (28.02.2023: 1.62%)</b>		
(300,246) ADO Properties SA	14,933	0.01%
(280,801) Ambu A/S	106,555	0.11%
(180,000) ams Osram AG	(14,223)	(0.01%)
150,000 BAE Systems PLC	(8,250)	(0.01%)
(23,000) Bank of Hawaii Corp	(1,360)	-
(150,000) Beijer Ref AB (publ)	43,129	0.04%
(1,000) Boston Beer Company Inc	(5,572)	(0.01%)
(15,000) C3.ai Inc	(26,321)	(0.03%)
(1,500) Credit Acceptance Corp	(9,594)	(0.01%)
(19,698) Eagle Bancorp Inc	1,942	-
35,000 Enbridge Inc	15,872	0.02%
100,000 Energy Transfer LP	11,435	0.01%
(2,000) Eramet SA	(12,739)	(0.01%)
(250,000) Farfetch Ltd	(6,901)	(0.01%)
(65,000) Fevertree Drinks PLC	5,200	0.01%
(179,868) Figs Inc	(17,732)	(0.02%)
(8,000) Freshpet Inc	(28,454)	(0.03%)
(150,000) Full Truck Alliance Co Ltd	(5,323)	(0.01%)
(49,767) Future PLC	1,742	-
(100,000) Hawaiian Electric Industries Inc	26,420	0.03%
(650,100) Hexatronic Group AB	103,777	0.10%
(130,000) Hexagon AB	37,322	0.04%
(100,000) Hims & Hers Health Inc	(6,704)	(0.01%)
(100,000) Hudson Pacific Properties Inc	(27,208)	(0.03%)
(149,603) International Distributions Services PLC	18,401	0.02%
(600,000) ITV PLC	7,020	0.01%
(548,974) IWG Plc	(78,778)	(0.08%)
(6,000) Kerry Group PLC	7,718	0.01%
80,000 Kinder Morgan Inc	5,363	0.01%
180,001 Lancashire Holdings Ltd	(20,700)	(0.02%)
(250,398) Medical Properties Trust Inc	(56,281)	(0.06%)
(16,000) Moderna Inc	(35,836)	(0.04%)
(999,997) Nel ASA	31,821	0.03%
(250,000) Nibe Industrier AB	(6,977)	(0.01%)
(20,000) Nordex SE	1,276	-
(199,713) Oatly Group AB (publ)	(7,088)	(0.01%)
(10,000) OneMain Holdings Inc	(6,743)	(0.01%)
(2,500,000) Orron Energy AB	74,996	0.07%
(35,000) Orsted A/S	366,771	0.37%
(261,998) OX2 AB (publ)	53,068	0.05%
89,847 Plains All American Pipeline LP	9,566	0.01%
(150,000) ProSiebensat 1 Media SE	74,365	0.07%
(40,000) Rivian Automotive Inc	(73,660)	(0.07%)
30,000 SAGE Therapeutics Inc	(5,442)	(0.01%)
(1,700,009) Samhallsbyggnadsbolaget I Norden AB	81,138	0.08%
(120,000) Siemens Energy AG	(27,503)	(0.03%)
(2,000) Solaredge Technologies Inc	(4,140)	-
(90,000) Sunnova Energy International Inc	(64,236)	(0.06%)
(50,000) SunPower Corp	(15,182)	(0.02%)
(90,000) Sunrun Inc	(103,984)	(0.10%)
(35,000) Sweetgreen Inc	(18,632)	(0.02%)
(3,000) Tesla Motors Inc	(42,859)	(0.04%)
(20,000) Trupanion Inc	9,306	0.01%
(35,000) US Bancorp	(10,075)	(0.01%)
(150,000) Valley National Bancorp	(6,506)	(0.01%)
(100,000) Vestas Wind Systems A/S	8,177	0.01%
(23,947) Vonovia SE	(28,748)	(0.03%)
(50,000) Watches of Switzerland Group PLC	(35,325)	(0.04%)
(5,000) Xylem Inc	(6,644)	(0.01%)
	291,593	0.25%

PORTFOLIO STATEMENT (continued)

Holding	Value £	% of net assets
<b>Forward currency contracts (28.02.2023: 0.07%)</b>		
Fwd.: DKK/GBP - 29 September 2023	17,561	0.02%
Fwd.: EUR/GBP - 29 September 2023	50,119	0.05%
Fwd.: HUF/GBP - 29 September 2023	(5,442)	(0.01%)
Fwd.: NOK/GBP - 29 September 2023	60,040	0.06%
Fwd.: NOK/GBP - 29 September 2023	1,851	-
Fwd.: SEK/GBP - 29 September 2023	3,899	-
Fwd.: SEK/GBP - 29 September 2023	(207)	-
Fwd.: USD/GBP - 29 September 2023	183,420	0.18%
Fwd.: USD/GBP - 29 September 2023	9,676	0.01%
	320,917	0.31%
<b>Hedged currency forward contracts (28.02.2023: (0.07%))</b>		
Fwd.: USD/GBP - 29 September 2023	(15,985)	(0.02%)
Fwd.: EUR/GBP - 29 September 2023	(5,170)	(0.01%)
Fwd.: USD/GBP - 29 September 2023	(17,757)	(0.02%)
Fwd.: EUR/GBP - 29 September 2023	(2,086)	-
Fwd.: USD/GBP - 29 September 2023	(13,655)	(0.01%)
Fwd.: EUR/GBP - 29 September 2023	(3,988)	-
	(58,641)	(0.06%)
<b>Portfolio of investments (28.02.2023: 53.98%)</b>	<b>92,131,420</b>	<b>91.82%</b>
<b>Net other assets (28.02.2023: 46.02%)</b>	<b>8,203,161</b>	<b>8.18%</b>
	<b>100,334,581</b>	<b>100.00%</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
<b>Total sales for the period</b>	<b>304,656,462</b>
Goldman Sachs Sterling Liquid Reserves Value Dis	17,950,000
Builders FirstSource Inc	9,883,335
UK T Bill 0% 27/03/2023	9,484,149
UK T Bill 0% 29/08/2023	9,313,344
Salesforce.Com Inc	7,480,633
WisdomTree Physical Silver	7,402,553
ETFS Physical Gold	7,184,334
UK T Bill 0.0% 06/03/2023	7,000,000
Amazon.com Inc	6,653,476
Uber Technologies Inc	6,643,009
Other various sales	215,661,629

	£
<b>Total purchases for the period</b>	<b>347,185,041</b>
Builders FirstSource Inc	11,089,513
Torm PLC	10,816,158
Goldman Sachs Sterling Liquid Reserves Value Dis	10,500,000
Hafnia Ltd	10,250,163
UK T Bill 0% 29/08/2023	9,314,095
Salesforce.Com Inc	9,217,630
Lennar Corp	8,206,360
D.R. Horton Inc	8,113,032
Amazon.com Inc	7,915,254
ETFS Physical Gold	7,322,065
Other various purchases	254,440,771

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

## STATEMENT OF TOTAL RETURN

For the six months ended 31 August (unaudited)

	2023		2022	
	£	£	£	£
Income				
Net capital gains/(losses)		3,994,873		(3,226,215)
Revenue	3,515,787		319,030	
Expenses	(511,658)		(479,569)	
Interest payable and similar charges	<u>(503,226)</u>		<u>(331,405)</u>	
Net revenue/(expenses) before taxation	2,500,903		(491,944)	
Taxation	<u>(448,443)</u>		<u>(191,671)</u>	
Net revenue/(expenses) after taxation		<u>2,052,460</u>		<u>(683,615)</u>
Total return before distributions		6,047,333		(3,909,830)
Finance costs: distributions		<u>(2,092,942)</u>		<u>(916,712)</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>		<u>3,954,391</u>		<u>(4,826,542)</u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 August (unaudited)

	2023	2022
	£	£
<b>Opening net assets attributable to shareholders</b>	93,049,343	40,950,552
Amounts receivable on creation of shares	21,439,200	88,826,589
Amounts payable on cancellation of shares	(20,188,608)	(24,390,736)
Dividends reinvested	2,077,469	1,012,411
Intercompany transfer	2,786	-
Changes in net assets attributable to shareholders from investment activities (see above)	<u>3,954,391</u>	<u>(4,826,542)</u>
<b>Closing net assets attributable to shareholders</b>	<u>100,334,581</u>	<u>101,572,274</u>

The Investment Association SORP requires that comparatives are shown for the above report. As comparatives should be for the comparable interim period the net asset value at the end of the period will not agree to the net asset value at the start of the period. The fund net asset value as at 28 February 2023 was £93,049,343.

## BALANCE SHEET

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As at (unaudited)	31.08.2023		28.02.2023	
	£	£	£	£
<b>ASSETS</b>				
Investment assets		93,021,430		53,989,246
<b>Current assets</b>				
Debtors	2,793,531		925,185	
Cash and bank balances	<u>12,765,314</u>		<u>47,619,510</u>	
<b>Total current assets</b>		<u>15,558,845</u>		<u>48,544,695</u>
<b>Total assets</b>		108,580,275		102,533,941
<b>LIABILITIES</b>				
Investment liabilities		(890,010)		(3,759,893)
<b>Current liabilities</b>				
Bank overdraft	(3,310,901)		(3,579,390)	
Creditors	<u>(4,044,783)</u>		<u>(2,145,315)</u>	
<b>Total current liabilities</b>		<u>(7,355,684)</u>		<u>(5,724,705)</u>
<b>Net assets attributable to shareholders</b>		<u>100,334,581</u>		<u>93,049,343</u>

### Accounting policies

The accounting policies applied are consistent with those of the financial statements for the period ended 28 February 2023 and are described in those financial statements.

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.

**DISTRIBUTION TABLES**

**Interim distributions in pence per share**

Group 1: Shares purchased prior to 01 March 2023

Group 2 : Shares purchased 01 March 2023 to 31 August 2023

Unit Type	Share Class	Net Revenue 31.10.2023	Equalisation	Distribution 31.10.2023	Distribution 31.10.2022
Group 1	Class A (Cur Hdg) Retail Net Accumulation	4.4817p	-	4.4817p	1.6653p
Group 2	Class A (Cur Hdg) Retail Net Accumulation	1.7642p	2.7175p	4.4817p	1.6653p
Group 1	Class A (Eur) (Cur Hdg) Retail Net Accumulation	2.4457p	-	2.4457p	0.7373p
Group 2	Class A (Eur) (Cur Hdg) Retail Net Accumulation	1.1678p	1.2779p	2.4457p	0.7373p
Group 1	Class A (USD) (Cur Hdg) Retail Net Accumulation	1.8205p	-	1.8205p	1.0747p
Group 2	Class A (USD) (Cur Hdg) Retail Net Accumulation	0.7610p	1.0595p	1.8205p	1.0747p
Group 1	Class I (Cur Hdg) Institutional Net Accumulation	5.9183p	-	5.9183p	2.6590p
Group 2	Class I (Cur Hdg) Institutional Net Accumulation	3.3778p	2.5405p	5.9183p	2.6590p
Group 1	Class I (Eur) (Cur Hdg) Institutional Net Accumulation	4.2327p	-	4.2327p	1.9074p
Group 2	Class I (Eur) (Cur Hdg) Institutional Net Accumulation	1.9091p	2.3236p	4.2327p	1.9074p
Group 1	Class I (USD) (Cur Hdg) Institutional Net Accumulation	2.7841p	-	2.7841p	1.4236p
Group 2	Class I (USD) (Cur Hdg) Institutional Net Accumulation	1.2472p	1.5369p	2.7841p	1.4236p
Group 1	Class R (Cur Hdg) Retail Net Accumulation	5.0862p	-	5.0862p	2.4932p
Group 2	Class R (Cur Hdg) Retail Net Accumulation	2.6747p	2.4115p	5.0862p	2.4932p
Group 1	Class O (Cur Hdg) Institutional Net Accumulation	2.2856p	-	2.2856p	1.0265p
Group 2	Class O (Cur Hdg) Institutional Net Accumulation	1.1117p	1.1739p	2.2856p	1.0265p
Group 1	Class O (Eur) (Cur Hdg) Institutional Net Accumulation	1.9358p	-	1.9358p	1.0232p
Group 2	Class O (Eur) (Cur Hdg) Institutional Net Accumulation	1.3772p	0.5586p	1.9358p	1.0232p
Group 1	Class O (USD) (Cur Hdg) Institutional Net Accumulation	1.8525p	-	1.8525p	0.9428p
Group 2	Class O (USD) (Cur Hdg) Institutional Net Accumulation	0.9968p	0.8557p	1.8525p	0.9428p

## SUB-FUND OVERVIEW

<b>Name of Sub-fund</b>	VT Argonaut Equity Income Fund
<b>Size of Sub-fund</b>	£3,083,146
<b>Launch date</b>	30 December 2016
<b>Sub-fund objective and policy</b>	<p>The Sub-fund aims to provide an income (net of fees) in excess of the yield of the European market (as represented by the IA Europe ex UK sector) with capital growth over any 5 year calendar period.</p> <p>The Sub-fund will invest in a concentrated portfolio of approximately 30-60 stocks. The Sub-fund will invest predominantly in securities of companies incorporated in Europe (including up to 5% in UK companies).</p> <p>The Sub-fund may also invest in companies that are headquartered or quoted outside Europe which derive a significant part of their business from Europe and whose securities are listed or traded on an eligible securities or derivatives exchange. The Sub-fund may also invest in emerging European markets including Russia and Eastern Europe.</p> <p>The Sub-fund is not constrained by any index weightings and will not concentrate on any particular country, sector or market capitalisation.</p> <p>To aid liquidity, the Sub-fund also has the ability to invest in assets such as American Depository Receipts and Global Depository Receipts.</p> <p>The Sub-fund may also invest in other transferable securities, units in collective investment schemes, money market instruments and deposits.</p> <p>The Sub-fund may make use of derivatives and forward transactions for the purposes of investment and for efficient portfolio management, including the use of hedging techniques and stock lending.</p>
<b>Benchmark</b>	<p>The Sub-fund aims to provide an income (net of fees) in excess of the yield of the IA (Investment Association's) Europe ex UK sector with capital growth over any 5 year calendar period. The Europe ex UK sector is therefore a target benchmark against which the performance of the Fund has been set ("Target Benchmark").</p> <p>Investors may use the Sub-fund's performance against the Target Benchmark to assess the risks of investing in the Sub-fund.</p>
<b>Authorised Fund Manager (AFM)</b>	Valu-Trac Investment Management Limited
<b>Ex-distribution dates</b>	30 November, last day of February, 31 May, 31 August
<b>Distribution dates</b>	15 January, 15 April, 15 July, 15 October
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA.

### Share class information

Share class*	Minimum initial	Minimum subsequent	Minimum holding	Minimum redemption	Initial charge
Class R Retail Net Income	£500	£250	£250	£100	0.00%
Class R Retail Net Accumulation	£500	£250	£250	£100	0.00%
Class R (currency hedged) Retail Net Income <sup>^</sup>	£500	£250	£250	£100	0.00%
Class R (currency hedged) Retail Net Accumulation <sup>^</sup>	£500	£250	£250	£100	0.00%

<sup>^</sup>Share classes not launched

\* Investors should note the eligibility criteria for each class of share as set out in paragraph 2.2.2 of the Sub-fund's prospectus before subscribing.

### Annual management charges

In respect of the R shares, it is equal to 0.65% per annum of the net asset value of the relevant share class.

## INVESTMENT MANAGER'S REPORT

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### Investment Review

The fund returned -6.05% over the 6-month review period (to August 31st 2023) vs the Europe ex UK sector of -0.98% and the Equity Income peer group of -1.45%. Since the beginning of 2019 the fund returned 43.02% vs the Europe ex UK sector of 49.3% and the Equity Income peer group of 37.4% (Class R Retail Net Accumulation).

The best performing stocks were semiconductor equipment manufacturer BESI (+46%) which rose on artificial intelligence (AI) hype around demand for new products. Belgian cable operator Telenet (+46%) was subject to a takeover offer; whilst Danish pharma-for-insulin outfit Novo (+17%) also rose strongly on the back of excitement around potential demand and in doing so became Europe's biggest company by market capitalisation. Italian defence contractor Leonardo (+18%) also performed strongly.

### Market Overview

The start of the review period there was a liquidity crisis in the US banking system owing to banks having bought long duration assets at the top of the rate market during COVID that required stable low-cost deposits to continue to fund them to maturity. Once central banks began raising short-rates depositors withdrew their cash, looking for higher returns elsewhere, leaving the banks unable to continue to fund their assets.

The Federal Reserve continue to hike the Fed Funds rate (from 4.75% to 5.5%); the ECB moved its key Deposit rate from 2.5% to 3.7%; the Bank of England raised its base rate from 4% to 5.25%; whilst the Bank of Japan raised its yield threshold for its 10-year government bond from 50bps to 100bps. Crude oil staged a comeback, rising from \$72/b to \$92/b owing to OPEC+ supply discipline. The metals complex did not share this virility.

Recent economic data suggests that whilst Europe is slipping back into recession and China is stuck in a Japanese-style debt trap, the US economy has recently reaccelerated, with the St Louis Fed GDP best estimate of Q3 now +5.6%, although there are also signs of rising delinquencies in auto and credit card loans. Core inflation (CPI ex Food and Energy) is also still stuck at +4.7% in the US (+5.3% in the EU). This means that the Fed cannot yet pause hikes without a likely further steepening of the yield curve.

### Outlook

The yield on the US 10-year Treasury broke above 4% for the first time since last October, reaching a peak of 4.34%, the highest since 2007. Since the US Treasury price anchors the value of all other financial assets, a blow out in yields will cause a dramatic reassessment of stock market values worldwide. There is a parallel to 1987, when the 10-year Treasury yield steadily climbed from 7% to over 10% by October. This proved to be the tipping point for global stock-markets, which promptly crashed by 30%.

Post WW2 Western economies followed a Keynesian consensus of countercyclical fiscal spending, with deficits rarely more than 5% GDP at the peace time recessionary trough. Today we have the absurd situation where despite full employment and the Federal Reserve implementing 525bps of rate hikes in 18 months to slowdown a red-hot economy, the US fiscal deficit is currently running at 8% of GDP, inefficiently stimulating the economy through subsidies of "strategic" industries and pork barrel politics ahead of the next Presidential election in 2024. When the "long and variable lags" of tighter monetary policy finally hit the economy, government will have already fired its bullets, making the likely slump deeper and more painful.

Currently central bankers must make monetary policy even more restrictive and risk the "fool in the shower" critical analogy: that instead of waiting for the pipes to warm up, they cranked up the hot water, and eventually after a lag, scolded the economy. Given that there are few examples in history of governments allocating capital more efficiently than individuals and companies, the onerous liability of unfettered government spending risks crowding out private sector innovation and productivity

**Barry Norris**

**Argonaut Capital Partners LLP**

**Investment Manager to the Fund**

**18 September 2023**

*Data Source for all performance figures Refinitiv Lipper*

## PERFORMANCE RECORD

### Financial Highlights

#### Class R Retail Net Income

	Period ending 31 August 2023	Year ending 28 February 2023	Year ending 28 February 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	120.5631	111.0305	114.3525
Return before operating charges	(6.8175)	19.5643	2.8918
Operating charges (note 1)	(0.4862)	(0.9843)	(0.9579)
Return after operating charges *	(7.3037)	18.5801	1.9339
Distributions on income shares	(4.9997)	(9.0475)	(5.2559)
Closing net asset value per share	108.2597	120.5631	111.0305
*after direct transactions costs of:	0.3204	0.8685	0.8790
Performance			
Return after charges	(6.06%)	16.73%	1.69%
Other information			
Closing net asset value	£1,771,944	£1,992,148	£1,475,606
Closing number of shares	1,636,753	1,652,369	1,329,010
Operating charges (note 2)	0.85%	0.85%	0.85%
Direct transaction costs	0.28%	0.75%	0.78%
Prices			
Highest share price	123.6602	126.5303	127.8785
Lowest share price	104.9657	107.8590	107.0618

#### Class R Retail Net Accumulation

	Period ending 31 August 2023	Year ending 28 February 2023	Year ending 28 February 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	163.0326	138.5356	137.3900
Return before operating charges	(9.1903)	25.7787	2.3156
Operating charges (note 1)	(0.6719)	(1.2817)	(1.1727)
Return after operating charges *	(9.8622)	24.4970	1.1456
Closing net asset value per share	153.1704	163.0326	138.5356
Distributions on accumulation shares	6.8180	11.7351	6.3997
*after direct transactions costs of:	1.3439	1.2817	1.1727
Performance			
Return after charges	(6.05%)	17.68%	0.83%
Other information			
Closing net asset value	£1,312,486	£1,544,522	£532,209
Closing number of shares	856,880	947,370	384,168
Operating charges (note 2)	0.85%	0.85%	0.85%
Direct transaction costs	0.28%	0.75%	0.78%
Prices			
Highest share price	167.2207	166.0864	153.6316
Lowest share price	146.7769	135.7156	133.0894

## PERFORMANCE RECORD (continued)

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1. The operating charges per share figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.
2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund.

### **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 (28 February 2023: ranked 6). The Sub-fund is ranked 6 because historical performance data indicates that significant rises and falls in market prices would have occurred historically.

PORTFOLIO STATEMENT

As at 31 August 2023 (unaudited)

Holding	Value £	% of net assets
<b>EQUITIES &amp; WARRANTS</b>		
<b>Austria (28.02.2023: 3.64%)</b>		
3,500 Erste Group Bank AG	100,962	3.27%
1,500 BAWAG Group AG	56,029	1.82%
	<u>156,991</u>	5.09%
<b>Belgium (28.02.2023: 7.00%)</b>		
10,000 Euronav NV	139,215	4.52%
<b>Bermuda (28.02.2023: 14.26%)</b>		
40,047 Hafnia Ltd	185,669	6.02%
<b>Cyprus (28.02.2023: 0.00%)</b>		
3,000 Frontline Ltd	42,692	1.38%
<b>Denmark (28.02.2023: 5.44%)</b>		
1,000 Novo Nordisk A/S	147,634	4.79%
<b>France (28.02.2023: 2.18%)</b>		
1,000 Sanofi SA	85,261	2.77%
1,000 Vinci SA	88,631	2.87%
	<u>173,892</u>	5.64%
<b>Germany (28.02.2023: 2.79%)</b>		
2,000 Covestro AG	84,635	2.75%
<b>Greece (28.02.2023: 2.00%)</b>		
15,000 National Bank of Greece SA	81,651	2.65%
35,000 Piraeus Financial Holdings SA	98,321	3.19%
5,000 Greek Organisation of Football Prognostics SA	67,785	2.20%
	<u>247,757</u>	8.04%
<b>Hungary (28.02.2023: 0.00%)</b>		
3,500 OTP Bank Nyrt	114,465	3.71%
<b>Ireland (28.02.2023: 0.00%)</b>		
150,000 Goldman Sachs Sterling Liquid Reserves Value Dis	150,000	4.87%
<b>Italy (28.02.2023: 4.49%)</b>		
45,000 Intesa Sanpaolo SpA	96,141	3.12%
15,000 Snam SpA	61,637	2.00%
7,000 Leonardo SpA	79,443	2.58%
6,500 Infrastrutture Wireless Italiane SpA	64,070	2.08%
15,000 Italgas SpA	67,978	2.20%
	<u>369,269</u>	11.98%
<b>Luxembourg (28.02.2023: 7.72%)</b>		
6,000 Tenaris SA	77,175	2.50%
20,278 d Amico International Shipping SA	73,205	2.37%
	<u>150,380</u>	4.87%
<b>Netherlands (28.02.2023: 10.39%)</b>		
2,000 Koninklijke Vopak NV	56,835	1.84%
1,100 BE Semiconductor Industries NV	100,315	3.25%
	<u>157,150</u>	5.09%
<b>Norway (28.02.2023: 15.76%)</b>		
5,000 Mowi ASA	70,969	2.30%
80,000 Norwegian Air Shuttle ASA	53,957	1.75%
1,800 SalMar ASA	68,600	2.23%
	<u>193,526</u>	6.28%

## PORTFOLIO STATEMENT

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As at 31 August 2023 (unaudited)

Holding	Value £	% of net assets
<b>Spain (28.02.2023: 10.71%)</b>		
4,000 Enagas SA	54,280	1.76%
26,000 Caixabank SA	85,479	2.77%
10,000 Grifols SA	74,260	2.41%
10,000 Repsol SA	122,580	3.98%
	<hr/>	<hr/>
	336,599	10.92%
<b>Sweden (28.02.2023: 2.86%)</b>		
<b>Switzerland (28.02.2023: 3.69%)</b>		
800 Nestle SA	75,957	2.46%
1,500 Swiss Re AG	116,324	3.77%
	<hr/>	<hr/>
	192,281	6.23%
<b>United Kingdom (28.02.2023: 5.72%)</b>		
6,500 Torm PLC	128,648	4.18%
	<hr/>	<hr/>
<b>Portfolio of investments (28.02.2023: 98.65%)</b>	<b>2,970,803</b>	<b>96.36%</b>
<b>Net other assets (28.02.2023: 1.35%)</b>	<b>112,343</b>	<b>3.64%</b>
	<hr/>	<hr/>
	<b>3,083,146</b>	<b>100.00%</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
<b>Total sales for the period</b>	<b>5,832,225</b>
Torm PLC	487,811
Hafnia Ltd	409,102
Dampskibsselskabet Norden A/S	296,999
Koninklijke Vopak NV	246,487
Euronav NV	191,454
BE Semiconductor Industries NV	186,634
Telenet Group Holding NV	181,003
Intesa Sanpaolo SpA	178,068
Seadrill Ltd	175,730
Caixabank SA	159,386
Other various sales	3,319,551
	<b>£</b>
<b>Total purchases for the period</b>	<b>5,662,753</b>
Torm PLC	462,537
Hafnia Ltd	386,184
Nestle SA	186,858
Sanofi SA	177,528
Novo Nordisk A/S	170,398
Euronav NV	163,093
Vinci SA	161,597
Frontline Ltd	157,975
Enagas SA	156,864
Infrastrutture Wireless Italiane SpA	153,927
Other various purchases	3,485,792

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

## STATEMENT OF TOTAL RETURN

For the six months ended 31 August (unaudited)

	2023		2022	
	£	£	£	£
Income				
Net capital (losses)/gains		(328,590)		148,382
Revenue	174,429		117,310	
Expenses	(47,044)		(24,475)	
Interest payable and similar charges	<u>(227)</u>		<u>(437)</u>	
Net revenue before taxation	127,158		92,398	
Taxation	<u>(26,196)</u>		<u>(21,533)</u>	
Net revenue after taxation		<u>100,962</u>		<u>70,865</u>
Total return before distributions		(227,628)		219,247
Finance costs: distributions		<u>(148,006)</u>		<u>(102,554)</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>		<u>(375,634)</u>		<u>116,693</u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 August (unaudited)

	2023	2022
	£	£
<b>Opening net assets attributable to shareholders</b>	3,534,218	1,997,171
Amounts receivable on creation of shares	601,715	1,064,261
Amounts payable on cancellation of shares	(741,773)	(511,866)
Dividend reinvested	64,620	40,151
Changes in net assets attributable to shareholders from investment activities (see above)	<u>(375,634)</u>	<u>116,693</u>
<b>Closing net assets attributable to shareholders</b>	<u>3,083,146</u>	<u>2,706,410</u>

The Investment Association SORP requires that comparatives are shown for the above report. As comparatives should be for the comparable interim period the net asset value at the end of the period will not agree to the net asset value at the start of the period. The fund net asset value as at 28 February 2023 was £3,534,218.

## BALANCE SHEET

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As at (unaudited)	31.08.2022		28.02.2023	
	£	£	£	£
<b>ASSETS</b>				
Investment assets		2,970,803		3,486,524
<b>Current assets</b>				
Debtors	53,368		392,825	
Cash and bank balances	155,699		27,548	
<b>Total current assets</b>		<u>209,067</u>		<u>420,373</u>
<b>Total assets</b>		3,179,870		3,906,897
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Distribution payable on income shares	(20,920)		(12,529)	
Bank overdraft	(46,215)		(41,444)	
Creditors	<u>(29,589)</u>		<u>(318,706)</u>	
<b>Total current liabilities</b>		<u>(96,724)</u>		<u>(372,679)</u>
<b>Net assets attributable to shareholders</b>		<u>3,083,146</u>		<u>3,534,218</u>

### Accounting policies

The accounting policies applied are consistent with those of the financial statements for the period ended 28 February 2023 and are described in those financial statements.

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.

## DISTRIBUTION TABLES

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### Q1 Interim distributions in pence per share

Group 1: Shares purchased prior to 01 March 2023

Group 2 : Shares purchased 01 March 2023 to 31 May 2023

Unit Type	Share Class	Net Revenue 14.07.2023	Equalisation	Distribution 14.07.2023	Distribution 15.07.2022
Group 1	Class R Retail Net Income	3.7216p	-	3.7216p	3.6423p
Group 2	Class R Retail Net Income	2.0793p	1.6423p	3.7216p	3.6423p
Group 1	Class R Retail Net Accumulation	5.0327p	-	5.0327p	4.6527p
Group 2	Class R Retail Net Accumulation	3.5916p	1.4411p	5.0327p	4.6527p

### Q2 Interim distributions in pence per share

Group 1: Shares purchased prior to 01 June 2023

Group 2 : Shares purchased 01 June 2021 to 31 August 2023

Unit Type	Share Class	Net Revenue 13.10.2023	Equalisation	Distribution 13.10.2023	Distribution 15.10.2022
Group 1	Class R Retail Net Income	1.2781p	-	1.2781p	1.8371p
Group 2	Class R Retail Net Income	0.8812p	0.3969p	1.2781p	1.8371p
Group 1	Class R Retail Net Accumulation	1.7853p	-	1.7853p	2.3742p
Group 2	Class R Retail Net Accumulation	1.0788p	0.7065p	1.7853p	2.3742p

## INFORMATION FOR INVESTORS

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### Individual shareholders

**Income tax:** Tax-free annual dividend allowance now standing at £1,000 (2023/24). UK resident shareholders are now subject to new, higher rates of tax on dividend income in excess of the annual allowance. UK resident shareholders are subject to tax on dividend income in excess of the annual allowance.

**Capital gains tax:** Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares as with other chargeable assets. However, the first £6,000 (2023/24) 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 Company has no corporation tax to pay on its profits in the VT Argonaut Funds for the period ended 31 August 2023. Capital gains within the Company 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 between 8.30am and 5.30pm. Instructions may be given by email to the below email addresses or by sending an application form to the Registrar. Application forms are available from the Registrar.

For VT Argonaut European Alpha Fund, VT Argonaut Absolute Return Fund and VT Argonaut Equity Income Fund; Argonaut@valu-trac.com

The price of shares will be determined by reference to a valuation of the Company's net assets at 12 noon on each dealing 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. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

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.

**CORPORATE DIRECTORY**

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<b>Authorised Fnd Manager &amp; Registrar</b>	Valu-Trac Investment Management Limited Orton Fochabers Moray IV32 7QE  Authorised and regulated by the Financial Conduct Authority
<b>Investment Manager</b>	Argonaut Capital Partners LLP 4th Floor 115 George Street Edinburgh EH2 4JN  Authorised and regulated by the Financial Conduct Authority
<b>Depository</b>	NatWest Trustee and Depository Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ  Authorised regulated by the Financial Conduct Authority
<b>Auditor</b>	Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE