

VT GREYSTONE CAUTIOUS MANAGED FUND

**Interim Report and Financial Statements
For the six months ended 31 March 2023 (Unaudited)**

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COMPANY OVERVIEW

Size of Company	£53,969,878
Type of Company	<p>VT Greystone Cautious Managed Fund is an investment company with variable capital, incorporated in England and Wales on 5 October 2005 under registered number IC000407 and authorised by the FCA (Product Reference Number (PRN) 435265) with effect from 5 October 2005.</p> <p>The Company has been established as a "non-UCITS retail scheme" under the FCA Regulations. The Company has an unlimited duration.</p> <p>Shareholders are not liable for the debts of the Company.</p>
Investment objective and policy	<p>The investment objective of the Company is to achieve positive returns by utilising a diversified portfolio of transferable securities, fixed interest securities, money market instruments, deposits, currencies, regulated and possibly unregulated collective investment schemes to the extent allowed by the FCA Rules and selected from a global market place.</p> <p>The Company will have a flexible but overall cautious investment strategy in terms of investment type and geographical or economic sectors, meaning that the Investment Adviser has discretion to arrange the portfolio of the Company towards investment types and/or sectors considered likely to achieve the cautious objective, including cash deposits, at any time subject to the restrictions of the IA Mixed Investment 20%-60% Shares (previously the Investment Management Association Cautious Managed) definition. The Company will be professionally managed and could be fully invested, or if the Investment Adviser believes market conditions require it, it could be held in cash on deposit (to the extent that this would not affect its ability to be held within the stocks and shares component of an ISA or conflict with the IA Mixed Investment 20%-60% Shares definition).</p> <p>The Company may use cash and other asset classes including collective investments with a stated objective of pursuing absolute returns without correlation to either equities or fixed interest markets, derivatives and forward transactions for EPM purposes in order to reduce perceived risks.</p> <p>The Company does not intend to have an interest in immovable or tangible movable property.</p>
Benchmark	<p>The Company does not have a specific benchmark. However, the performance of the Company can be assessed by considering whether the objective is achieved (i.e. whether there has been capital growth and income over the long term (5+ years)).</p>
Authorised Corporate Director (ACD) and Alternative Investment Fund Manager	Valu-Trac Investment Management Limited
Share class	The Company has currently two share classes, Income R Shares and Accumulation R Shares
Ex-distribution dates	31 March and 30 September
Distribution dates	31 May and 30 November
Individual Savings Account (ISA)	The Company is a qualifying investment for inclusion in an ISA.
Minimum initial investment: Lump sum subscription	Accumulation R / Income R = £1,000
Top-up	Accumulation R / Income R = £1,000
Holding	Accumulation R / Income R = £1,000
Redemption	Accumulation R / Income R = £1,000

COMPANY OVERVIEW (Continued)

Regular savings plan (all classes):	£100 per month
Registration charge per shareholder:	£17.91 per annum (increasing by annual inflationary increases capped at 3% per annum)
Distribution costs per event	£526.91
ACD preliminary charges	Accumulation R / Income R: 0%
Annual management charge	Accumulation R / Income R: 0.75%

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S (ACD'S) RESPONSIBILITIES

The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the Authorised Corporate Director 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 gains for the period. In preparing these financial statements the Authorised Corporate Director 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 Corporate Director 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 Corporate Director 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 interim report.

David E. Smith CA

Valu-Trac Investment Management Limited
Authorised Corporate Director

Date 29 May 2023

Economic and Market Commentary

A banking "mini-crisis" ...

Not many people would have heard of Credit Suisse let alone Silicon Valley Bank at the start of this year, but many more will be familiar now. Counterintuitively, neither bank exists anymore, but more on this later.

Equity and bond markets were volatile during the review period, as investors worried about the future path of monetary policy and latterly the strength of the banking system in the US and Europe. Fortunately, at the time of writing, the UK has remained relatively unaffected.

Recent problems in the banking system are directly linked to the actions taken by the Bank of England, US Federal Reserve and European Central Bank to address the pandemic just over three years ago. The introduction, and subsequent reversal of policies by central banks has caused ripples (and more recently shock waves) throughout economies and financial markets. An explosion in the money supply triggered by central bankers lowering interest rates to virtually zero, printing trillions of pounds, dollars and euros through quantitative easing, coupled with huge fiscal boosts in the form of furlough schemes and government giveaways, meant that economies were overstimulated - which led to inflation rising sharply. It is easy to criticise in hindsight, as no one knew how long lockdowns would last, but along with the tragic human costs, the pandemic caused financial tremors which will take time to dissipate.

Covid led to people retiring early and thereby shrinking the workforce across the Western world provoking a spike in wage demands and strikes in the public sector. Global supply chains also became gummed up as ports closed and lorry drivers self-isolated. We are all aware that oil and particularly gas prices, have been extremely volatile. As we currently stand, most of these pressures have already peaked and are starting to, or have already, completely retraced their levels from three years ago. Wage demands are easing, strikes are reducing. Supply chains are running efficiently, and the cost of shipping is back to pre-pandemic levels. Even energy costs are well below their peaks. All these moves are helping to bring down inflation from recent highs (the February UK CPI number aside, the global trend is still down). Inflation is lower in the EU and much lower in the US, than here in the UK. This is important because Europe and North America constitute nearly half of global economic output¹ and over two thirds of world stock market value².

It will be for academics and historians to decide whether the belated interest rate hikes by central bankers last year caused the rate of inflation to fall, or whether it would have begun to abate on its own, as the global economy got back to normal after re-opening. What we do know right now is that the money supply is shrinking, and the cost of borrowing has risen quickly and significantly.

Recently, North America and mainland Europe have been feeling the strain within their banking systems and regulators have been forced to act. Silicon Valley Bank (SVB) had a mismatch of maturities between deposit accounts and assets. Moreover, as the go-to bank for wealthy tech entrepreneurs, most SVB customers had more money in their accounts than is covered by the USA's bank deposit protection scheme (similar to the FSCS³ we have in the UK).

This led to a run on the bank as depositors withdrew assets at an unprecedented rate; \$42 bln⁴ was withdrawn in the week before it collapsed. The US Federal Government had to step in and guarantee all cash deposits at the bank, which effectively meant they had to do this for all US banks. Over the same weekend in early March, the Bank of England and Treasury successfully negotiated for the UK branch of SVB to be subsumed into HSBC.

Despite swift movements by authorities, depositors and investors were spooked and bank shares in regional US banks fell sharply. This in turn put pressure on another US regional bank, First Republic. US banking regulators pushed larger US peers to shore up its balance sheet and deposit \$30bln⁵ with the bank, this has given some stability, but it reinforces the relative fragility of banks when confidence is lost.

These two US regional banks are not classified as Globally Systemically Important Banks (G-SIB) by the Bank of International Settlements (the central banks, central banker). However, Credit Suisse is a Globally Systemically Important Bank. During the weekend in mid-March its domestic rival UBS, was forced to purchase Credit Suisse at a price 50%⁶ lower than the Friday closing price. Credit Suisse was solvent despite withdrawals of reportedly \$10bln⁶ in one day, on the Friday before it was sold.

Investors have known for some time that the investment banking arm of Credit Suisse had made some poor deals. Losing c.\$1.6bln⁵ of profits in the Greensill Capital affair and then \$5.5bln⁵ after being exposed to the failed Archegos hedge fund. Profitability of the firm had been questionable for some time, and after the firm's largest investor, the Saudi National Bank, refused to invest more capital, the Swiss regulator had to step in and prevent the bank from collapsing. Stopping Credit Suisse becoming the next Lehman Brothers prevented significant damage to the global financial system, but the inevitable consequences are that bank lending criteria will tighten, and economic activity will reduce. This banking "mini-crisis" could engineer the slowdown in economic growth and reduction of inflation that central banks have been striving for in recent months.

While its depositors were kept safe, the rescue of Credit Suisse led to some losses for its investors. Controversially, in order to get the deal done, Swiss regulators decided to wipe out \$17bln⁵ worth of subordinated debt securities known as Alternative Tier 1 (AT1) bonds, often issued by banks. This went against an established ordering of "who gets what" if a bank gets into trouble, leading to increased volatility in markets for bank bonds. Several policymakers, including the European Central Bank and our own Bank of England, stated that they would respect the established ordering if faced with a comparable scenario, this helped to calm market nerves somewhat.

Across the Greystone fund range, we had virtually no exposure to Credit Suisse AT1 bonds (0.03%⁷ on average). Although, we do like the risk and reward payoff for some higher quality financial debt. "The baby has been thrown out with the bath water" for some bank and insurance bonds and this is providing valuation opportunities which our fixed income managers are looking to exploit.

Policymakers do not intentionally cause damage to their own pension industry or the global banking sector. Although, central bankers do know that increasing the cost of borrowing rapidly and by large amounts will inevitably create stresses in both economies and financial markets.

So why are they doing it, and will it work? Lifting interest rates and selling government bonds back into the market through quantitative tightening is being done to prevent a prolonged period of soaring prices. High inflation causes long-term damage to economic productivity and impedes the efficient allocation of capital.

Even though central bankers will attempt to separate and tell markets not to conflate inflation and financial instability, they know both are intertwined. Tackling the former has caused the latter. The balance between these two issues is now in sharp focus. The most powerful banker in the world, US Federal Reserve Chairman, Jerome Powell, must balance pushing down inflation and driving up instability in the global financial system.

What does this mean for portfolios and the outlook for investment markets? Many of our investors have been with us since the launch of the funds and have witnessed several bouts of volatility; dot com bubble, Global Financial Crisis, Covid-19, resurgent inflation, spikes in interest rates and war in Europe. We believe that this latest chapter of banking instability is nowhere near as severe as these previous events. Because of the Global Financial Crisis in 2008, Banks hold much more capital against losses and lending practices are more conservative. However, regulators cannot prevent poor investment decisions made by the banks themselves.

We at Greystone are optimists. One must be as an investor. Moreover, research and history tells us it has paid to be optimistic over the long term because equity and bond markets rise in value. We are also pragmatists and realists, mindful of human behaviour and the psychology of markets, of crowded trades, but also fundamental valuations. It is the latter that gives us the "guard rails" and risk controls to our investment process. Good businesses are not always good investments (if shares are bought at the wrong price), but bad businesses are never good long-term investments.

We are constantly seeking out where value is within bond and equity markets, but we do this with a bias towards quality in our mind. Quality balance sheets, earnings, business models and company management. The discipline of quality helps us avoid "value traps". These so-called investments are very cheap and may bounce back strongly – just because they are cheap. However, quite often shares are cheap for a reason and ultimately the market is always right.

Our job, as it always has been, is to objectively look into the future and discount back to the present where we believe value exists and investment returns can be generated. We seek out the best investors within each asset class and geography; whether that be UK large cap shares or specialist global technology stocks. This means that we decide not to invest in 99% of the funds available to us; indeed, there are more products available to choose from than listed shares (when we count; bond, property and hedge funds).

INVESTMENT ADVISER'S REVIEW (Continued)

We have tightened up our investment process over the last year and are pleased to report that this is paying off. Looking forward to the rest of 2023, the future is uncertain and we believe this supports our rationale for being the most diversified we have ever been across; asset classes, geographies and investment styles.

Moreover, despite the recent blip in inflation numbers at home, the trend is down, interest rates will not increase this year by anywhere near the amounts they did in 2022 and may have already peaked in some countries. Covid-19 stimulus is being withdrawn and economies are slowing, this will ultimately lead to firms that have pricing power, strong balance sheets and business models that are embedded in other enterprises - to outperform more commoditised cyclically positioned sectors such as energy and banks.

We do have some exposure to these industries, but prefer to be overweight to technology, healthcare, communication services particularly in North America, because this is where the best quality businesses can be found. We are also overweight to the US Dollar since this acts as a useful defensive asset in times of market stress. Within the UK we prefer mid and small cap shares that have been disproportionately marked down and now offer the prospect of investment returns that have not been available for many years.

Investment management keeps us humble. Unfortunately, recent history is a gauge of how it is possible to be wrong- footed by unforeseen idiosyncratic market events. However, we are confident that risk control enhancements within our robust investment process will help us to continue delivering on the long-term growth targets for our customers.

Thank you to all our investors for your continued support.

Please note, the above commentary was prepared prior to 31st March 2023 and therefore does not cover any developments which took place from April onwards, in the topics discussed above.

The above are the views and opinions of the Greystone Investment Committee and are correct at the time of writing. All data is correct as at 31.03.2023.

References: 1 Statista, 2 iShares, 3 Financial Services Compensation Scheme, 4 CNN, 5 Reuters, 6 telegraph.co.uk. 7 Greystone.

Past, simulated past or future projected performance is not a reliable indicator of future performance and may not be repeated.

INVESTMENT MANAGER'S REVIEW (Continued)

VT Greystone Cautious Managed Fund

Performance Summary

The fund rose 4.42% over the six-month review period, versus the Investment Association (IA) Mixed Investment 20-60% Shares sector average 4.87%, and the IA Standard Money Market 1.77%. (Data for the period 30.09.2022 to 31.03.2023. Data compiled from Refinitiv Lipper for Investment Management).

Since the fund's mandate change on 24th July 2009 it has delivered 80.75% versus the IA sector average 94.39% and IA Standard Money Market 7.49%. The fund's share price as at 31st March 2023 was; 158.25p (R share class accumulation units) and 99.31p (R share class income units). (Data for the period 24.07.2009 to 31.03.2023. Data compiled from Refinitiv Lipper for Investment Management).

Fund Review & Outlook

The fund rose in value during the six-month review period but underperformed sector peers. Overweight positions to North American and Asian equities and to the US Dollar were key reasons. International equities led the way up followed by UK equities; fixed income also performed well, whilst alternatives were flat.

Central banks were again active in the period, continuing their programs of interest rate rises as they battle persistently high inflation. Investor concerns for much of 2022 have focused on the outlook for price rises and the ability of central banks to bring them under control, and this continued during the period under review.

Despite raising interest rates again central bankers, led by US Federal Reserve Chairman Jerome Powell, stated they expect the pace of further interest rate hikes this year would be slower, because of issues with the banking sector. Bank stress means tighter lending conditions for consumers and businesses, which can act as an additional brake on economic growth, cooling economies and slowing the rate of inflation. This led to traditional lower-risk assets such as high-quality government bonds and investment grade corporate credit rallying in March.

Businesses with robust balance sheets, high quality management and consistent earnings tended to outperform broad stock market indices during the review period. Our international equity holdings remain tilted towards fund managers investing in these types of companies. In our view there remains a disconnect between share prices and fundamentals for these businesses, despite their outperformance over the past six months.

Despite volatility in the broad UK stock market our domestic equity component was positive, with defensive large-cap stocks outperforming cyclical small-caps. We continue to believe UK companies with a high degree of long-term earnings visibility, strong balance sheets and robust cashflow management, will be best placed to weather more challenging economic conditions.

Within fixed interest, bonds with greater sensitivity to interest rate movements, particularly investment grade corporate credit, outperformed those with less; benefitting our fixed interest positioning, which favours higher quality corporates and longer duration. Falling bond yields and effective duration management meant our specialist UK corporate bond fund was the standout performer during the period.

Alternative investment strategies were flat during the review period, and we took some profits on our absolute return managers in favour of more attractive valuations in fixed income. Despite rising bond yields and US Dollar weakness, physical gold acted as an effective hedge against investor uncertainty, particularly in March.

Foundation Investment Management Ltd
Investment Adviser to the Fund
21 April 2023

PERFORMANCE RECORD

Financial Highlights

Accumulation R Shares	Six months to 31 March 2023	Year to 30 September 2022	Year to 30 September 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	151.5443	179.4312	160.9859
Return before operating charges	7.7337	(25.6859)	20.8793
Operating charges (note 1)	(1.0301)	(2.2010)	(2.4340)
Return after operating charges*	6.7036	(27.8869)	18.4453
Closing net asset value per share	158.2479	151.5443	179.4312
Retained distributions on accumulated shares	1.7947	1.9856	3.2728
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	4.42%	(15.54%)	11.46%
Other information			
Closing net asset value	£47,855,997	£51,038,513	£70,882,659
Closing number of shares	30,241,154	33,678,934	39,504,078
Operating charges (note 2)	1.33%	1.33%	1.43%
Direct transaction costs	-	-	-
Prices			
Highest share price	163.1736	184.0821	182.6193
Lowest share price	147.9599	151.5443	160.3109

Income R Shares	Six months to 31 March 2023	Year to 30 September 2022	Year to 30 September 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	96.1933	115.3196	105.4469
Return before operating charges	4.9051	(16.4442)	13.6267
Operating charges (note 1)	(0.6500)	(1.4066)	(1.5785)
Return after operating charges*	4.2551	(17.8508)	12.0482
Distribution on income shares	(1.1392)	(1.2755)	(2.1755)
Closing net asset value per share	99.3092	96.1933	115.3196
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	4.42%	(15.48%)	11.43%
Other information			
Closing net asset value	£6,141,863	£6,877,191	£15,353,214
Closing number of share	6,184,584	7,149,347	13,313,619
Operating charges (note 2)	1.33%	1.33%	1.43%
Direct transaction costs	-	-	-
Prices			
Highest share price	103.5750	118.3087	118.9335
Lowest share price	93.9180	96.1933	105.0050

PERFORMANCE RECORD (Continued)

1. The operating charges per unit 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 together with the ongoing charges included within the underlying Open Ended Investment Companies held within the Sub-fund's holdings.

Risk Profile

Based on past data, the Sub-fund is ranked a '4' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. (30 September 2022 ranking '4') The Sub-fund is ranked '4' because weekly historical performance data indicates that average rises and falls would have occurred historically. The higher the rank, the greater the potential reward but the greater the risk of losing money.

PORTFOLIO STATEMENT

As at 31 March 2023

	Value £	% of net assets
Collective Investment Schemes (30.09.2022: 93.82%)		
1,092,113 Allianz Gilt Yield	1,660,121	3.08
2,432,430 Allianz UK Equity Income Fund	2,771,754	5.14
1,460,957 Allianz Strategic Bond	1,590,252	2.95
1,111,498 abrdn Global Corporate Bond Tracker	1,080,137	2.00
386,967 BlackRock European Dynamic Fund	1,071,142	1.98
57,212 Capital Group Global High Income Opportunities	2,154,605	3.99
53 Fidelity Institutional Liquidity Fund	1,139,032	2.11
1,481,084 Fiera Atlas Global Companies	1,617,370	3.00
887,216 FP Octopus UK Multi Cap Income	1,072,821	1.99
181,975 HSBC GIF Global Bond Total Return	1,642,692	3.04
794,057 Invesco Tactical Bond	2,157,769	4.00
1,246,878 JPM Europe (ex-UK) Research Enhanced Index Equity Fund	1,647,126	3.05
2,950,850 JPM Global Equity Income	3,219,377	5.97
1,050,225 JPM US Research Enhanced Index	1,609,995	2.98
518,065 Jupiter Asian Income	1,082,963	2.01
10,039 Man GLG Alpha Select Alternative	1,156,000	2.14
37,622 Matthews Asia ex Japan Total Return Equity	514,672	0.95
1,677,040 Merian Global Strategic Bond	2,156,170	4.00
350,224 MI Chelverton UK Equity Growth	1,054,765	1.95
405,785 Premier Miton European Opportunities	1,121,996	2.08
778,209 Royal London Global Equity Income Fund	1,076,263	1.99
567,214 Royal London Sustainable Leaders Trust	1,627,905	3.02
1,440,911 Royal London Global Bond Opportunities	1,617,566	3.00
3,238 Seilern America USD	1,108,251	2.05
6,867 Smead US Value UCITS Fund	1,543,610	2.86
229,006 UBS US Growth	528,385	0.98
11,182 Vanguard FTSE UK All Share Index Unit Trust	2,697,326	5.00
26,171 Vanguard Global Bond Index	3,754,294	6.96
15,387 Vanguard Global Short-Term Bond	1,624,209	3.01
11,957 Vanguard UK Investment Grade Bond Index	1,079,296	2.00
304,301 Waverton Sterling Bond	2,673,586	4.95
Total Collective Investment Schemes	50,851,450	94.23
Exchange Traded Commodities (30.09.2022: 3.01%)		
10,580 Invesco Physical Gold ETC	1,632,558	3.02
Total Exchange Traded Commodities	1,632,558	3.02
Portfolio of investments (30.09.2022: 96.83%)	52,484,008	97.25
Net other assets (30.09.2022: 3.22%)	1,485,870	2.75
	53,969,878	100.00

Note: The 30 September 2022 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 30 September 2022 was (0.05%).

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the period	7,155,000
Royal London Global Bond Opportunities	1,675,000
Jupiter Asian Income	1,135,000
Royal London Global Equity Income Fund	1,095,000
Merian Global Strategic Bond	1,060,000
Capital Group Global High Income Opportunities	620,000
Fidelity Institutional Liquidity Fund	570,000
Vanguard Global Bond Index	560,000
Matthews Asia ex Japan Dividend	220,000
Allianz UK Equity Income Fund	150,000
UBS US Growth	70,000

	£
Total sales for the period	13,265,498
Matthews Asia ex Japan Dividend	1,370,000
Man GLG Alpha Select Alternative	1,180,000
CT Real Estate Equity Market Neutral Fund	1,159,231
Polen Capital Focus U.S. Growth	1,061,113
Allianz Gilt Yield	885,000
Royal London Sustainable Leaders Trust	830,000
Premier Miton European Opportunities	765,000
UBS US Growth	645,000
Allianz UK Equity Income Fund	555,000
Vanguard FTSE UK All Share Index Unit Trust	520,000
JPM Global Equity Income	440,000
Vanguard Global Bond Index	395,000
JPM Europe (ex-UK) Research Enhanced Index Equity Fund	395,000
Waverton Sterling Bond	320,000
Invesco Tactical Bond	310,000
BlackRock European Dynamic Fund	305,000
Fiera Atlas Global Companies	268,556
Invesco Physical Gold ETC	235,392
Smead US Value UCITS Fund	194,776
Allianz Strategic Bond	180,000
MI Chelverton UK Equity Growth	155,000
abrdn Global Corporate Bond Tracker	150,000
Vanguard Global Short-Term Bond	145,000
Vanguard UK Investment Grade Bond Index	125,000
HSBC GIF Global Bond Total Return	105,000
Capital Group Global High Income Opportunities	95,000
FP Octopus UK Multi Cap Income	90,000
JPM US Research Enhanced Index	90,000
Seilern America USD	89,435
Merian Global Strategic Bond	75,000
Fidelity Institutional Liquidity Fund	54,995
Jupiter Asian Income	45,000
Royal London Global Equity Income Fund	32,000

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

STATEMENT OF TOTAL RETURN

For the six month period ended 31 March

	2023	2022
	£	£
Income		
Net capital gains/(losses)	2,064,976	(5,073,115)
Revenue	443,536	334,335
Expenses	(237,448)	(328,390)
Interest payable and similar charges	-	(2,302)
Net revenue before taxation	206,088	3,643
Taxation	(5,782)	(104,482)
Net revenue after taxation	200,306	(100,839)
Total return before distributions	2,265,282	(5,173,954)
Finance costs: distributions	(644,776)	(539,732)
Changes in net assets attributable to shareholders from investment activities	1,620,506	(5,713,686)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six month period ended 31 March

	2023	2022
	£	£
Opening net assets attributable to shareholders	58,083,213	86,091,759
Amounts receivable on creation of shares	1,057,045	4,629,937
Amounts payable on cancellation of shares	(7,333,628)	(10,864,508)
Accumulation dividends retained	542,742	449,130
Changes in net assets attributable to shareholders from investment activities (see above)	1,620,506	(5,713,686)
Closing net assets attributable to shareholders	53,969,878	74,592,632

The Investment Association SORP requires that comparatives are shown for the above report. As comparatives are shown for the comparable interim period the net asset value at the end of the period will not agree to the net asset value at the start of the period. The Company net asset value as at 30 September 2022 was £58,083,213.

BALANCE SHEET

As at	31.03.2023		30.09.2022	
	£	£	£	£
Assets				
Investment assets		52,484,008		56,214,300
Current assets				
Debtors	90,402		1,470,789	
Cash and bank balances	<u>2,205,202</u>		<u>2,119,795</u>	
Total current assets		<u>2,295,604</u>		<u>3,590,584</u>
Total assets		<u>54,779,612</u>		<u>59,804,884</u>
Current liabilities				
Creditors	(189,045)		(1,566,080)	
Distribution payable on income shares	(70,455)		(37,680)	
Bank overdraft	<u>(550,234)</u>		<u>(117,911)</u>	
Total current liabilities		<u>(809,734)</u>		<u>(1,721,671)</u>
Net assets attributable to shareholders		<u>53,969,878</u>		<u>58,083,213</u>

Accounting policies

The accounting policies applied are consistent with those of the financial statements for the period ended 30 September 2022 and are described in those financial statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Authorised Funds issued by the Investment Association (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 distribution in pence per share

Group 1: Shares purchased on or prior to 01 October 2022

Group 2 : Shares purchased on or after 01 October 2022 and on or before 31 March 2023

01 October 2022 to 31 March 2023

Accumulation R Shares	Net Revenue 31.05.2023	Equalisation	Distribution 31.05.2023	Distribution 31.05.2022
Group 1	1.7947p	-	1.7947p	1.1607p
Group 2	0.9761p	0.8186p	1.7947p	1.1607p

Income R Shares	Net Revenue 31.05.2023	Equalisation	Distribution 31.05.2023	Distribution 31.05.2022
Group 1	1.1392p	-	1.1392p	0.7485p
Group 2	0.8445p	0.2947p	1.1392p	0.7485p

INFORMATION FOR INVESTORS

Taxation

The Company will pay no corporation tax on its profits for the period to 31 March 2023 and capital gains within the Company will not be taxed.

Individual shareholders

Income tax: Tax-free annual dividend allowance now standing at £2,000 (2022/23). UK resident shareholders are subject to tax on dividend income in excess of the annual allowance. UK resident shareholders are subject to tax on dividend income in excess of the annual allowance.

Capital gains tax: Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares as with other chargeable assets. However, the first £12,300 (2022/23) of gains each year are presently tax free for individuals. Gains in excess of that amount are charged at the rate of tax applicable to the individual tax payer.

Corporate shareholders

Companies resident for tax purposes in the UK which hold shares should note that OEIC distributions are streamed into both franked and unfranked income. The unfranked income element will be treated as an annual payment which has been subject to income tax at a rate of 20% and will be liable to tax accordingly. On realisation of their shares, UK resident companies may be liable to pay corporation tax on any capital gains.

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

Issue and redemption of shares

Valu-Trac Investment Management Limited is the ACD and Registrar. Valu-Trac Investment Management Limited will receive requests for the purchase or sale of shares at any time during normal business hours. Instructions may be given by email to the below address or by sending an application form to the Registrar. Application forms are available from the Registrar. Email: greystone@valu-trac.com.

The price of shares will be determined by reference to a valuation of the Company's net assets at 08.30am on each dealing day.

The ACD 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 ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

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

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined. Settlement is due by the purchaser T+4 days from the date of the contract note and should be made to the ACD'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 ACD of a request for redemption.

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

CORPORATE DIRECTORY

Authorised Corporate Director, Alternative Investment Fund Manager & Registrar	<p>Valu-Trac Investment Management Limited Mains of Orton Fochabers Moray IV32 7QE</p> <p>Telephone: 01343 880344 Fax: 01343 880267 Email: greystone@valu-trac.com</p> <p>Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648</p>
Director	Valu-Trac Investment Management Limited as ACD
Investment Adviser	<p>Foundation Investment Management Limited Foundation House Scott Drive Altrincham Cheshire WA15 8AB</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
Depository	<p>NatWest Trustee and Depositary Services Limited House A, Floor 0 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
Auditor	<p>Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE</p>